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THE GREAT ILLUSION
1933

THE GREAT ILLUSION?

CONTROVERSY

"Norman Angell's pamphlet was as unimposing in form as it was daring in expression. For a time nothing was heard of it in public, but many of us will remember the curious way in which... 'Norman Angellism' suddenly became one of the principal topics of conversation among politicians and journalists all over Europe. Naturally at first it was the apparently extravagant and paradoxical elements that were fastened upon most... that the whole theory of the commercial basis of war was wrong, that no modern war could make a profit for the victors, and that—most astonishing thing of all—a successful war might leave the conquerors who received the indemnity relatively worse off than the conquered who paid it. People who had been brought up in the acceptance of the idea that a war between nations was analogous to the struggle of two errand boys for an apple and that victory inevitably meant economic gain, were amazed into curiosity. Men who had never examined a pacifist argument before read Mr. Angell's book. Perhaps they thought that his doctrine sounded so extraordinarily like nonsense that there really must be sense in them or nobody would have dared to propound them."

—*The New Statesman*, Oct. 11, 1913.

"I doubt whether any man since the days of Paine and Cobbett, had written a pamphlet comparable in force and inspiration to theirs, until Mr. Angell riveted the attention of a Continent on his 'Great Illusion.' His strength lay where theirs lay. ... With a great faith in the potential rationalism of mankind, he compelled it to listen to an unanswerable calculation, which demonstrated the folly of war. One held one's breath while he did it."

—*H. N. Brailsford*.

"The fundamental proposition of the book is a mistake... and the proposition that the extension of national territory—that is, the bringing of a large amount of property under a single administration—is not to the financial advantage of a nation appears to me as illusory as to maintain that business on a small capital is as profitable as on a large. ... The armaments of European states are now not so much for protection against conquest, as to secure to themselves the utmost possible share in the unexploited or imperfectly exploited regions of the world."

—*The late Admiral Mahan*.

"I have long ago described the policy of 'The Great Illusion'... not only as a childish absurdity but as a mischievous and immoral sophism."

—*The late Frederic Harrison*.

"Norman Angell has come back.... His book provoked one of the great controversies of this generation.... Whether he likes it or not he is a prophet whose prophecies have come true.... It is hardly possible to open a newspaper without the eye lighting on some fresh vindication of the once despised and rejected doctrine of Norman Angellism."

—*The Daily News (London)*, Feb. 25, 1920.

"Among the mass of printed books there are a few that may be counted as acts, not books. The 'Contrat Social' was indisputably one; and I venture to suggest to you that 'The Great Illusion' is another. The thesis of Galileo was not more diametrically opposed to current ideas than those of Norman Angell. Yet it had in the end a certain measure of success."

—*Viscount Esher*.

"I feel, once more, that for us in this generation, in so far as we are permitted to know the truth, the most wholesome source of political authority will be the personal credit of those few political thinkers who have shown themselves able to follow reason through the mists and gales of organised passion. And in the next world-crisis Norman Angell may find that his twenty years of patient modesty and courage, and the constant support of his judgment by the event, have brought it about that his words will be listened to because they are his."

—*Graham Wallis, in the London Nation*.

NORMAN ANGELL

LABOR DAY

NO

THE GREAT
ILLUSION

1933



G. P. PUTNAM'S SONS
NEW YORK

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MANUFACTURED IN THE UNITED STATES OF AMERICA
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THIS BOOK IS,

as to

PART ONE

A STATEMENT showing the relevance of the theme developed in "The Great Illusion" to the world's present crisis; why the fallacies exposed in that book still obstruct settlement in such problems as Disarmament, Debts, Reparations, economic nationalism, the Sino-Japanese crisis; prevent development of the League of Nations and recovery from the economic depression.

PART TWO

A SUMMARISED and rearranged version of "The Great Illusion"; about two-thirds of the matter being as it originally appeared, the remainder being a summary or paraphrase.

PART THREE

SOME NOTES on the general post-war vindication of "The Great Illusion" thesis; drawn largely from the literature of the present crisis.

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PART ONE

THE GREAT ILLUSION

1933

RELEVANCE OF "THE GREAT ILLUSION" TO OUR PRESENT PROBLEMS

*

IN THE Treaty of Versailles and later in the handling of the reparations problems and governmental debts, in the intensification of economic nationalism, the renewal of armament competition, we entangled the world in difficulties which threatened civilization. No one desired the consequent chaos, universal misery and ruin. But we persist in the pursuit of policies which inevitably produce these results. Why do we fail to see the relation between the policies pursued and the results obtained? Because certain of the simplest and most elementary questions of all are not asked; and we still assume as unquestionably true certain fundamental assumptions which are undoubtedly false. It is quite in keeping with man's curious intellectual history that the simplest and most important questions are those he asks least often. This book deals with those unexamined assumptions which explain our adherence to policies that make worse the evils we would cure.

WHAT justification is there for republishing in 1933 a political pamphlet, written at the beginning of the century, to deal with the world situation as it then existed; for reviving a political controversy of the pre-war years?

The justification is this: The main obstacle to recovery from our present political and economic chaos is the unwillingness of the public to adopt certain necessary policies, even when all competent specialists are agreed that they are necessary, because the reasons for the policies are not perceived. That failure of understanding is due in large part to the continued prevalence in the public mind of just that group of fallacies which this book was written, twenty-five years ago, to expose.

For, however much specialists and experts are in disagreement upon some proposals for recovery, all at least are agreed that there can be no recovery as long as certain tendencies and policies persist. Those tendencies and policies do persist. They have their roots in fundamental assumptions which the book, here in part republished, attacked. Until those assumptions are revised the obstacles which so harass public policy in this matter will remain. It serves little purpose for the specialists to indicate the way of escape if the public fail to see that it is the way of escape and refuse to take it. This book endeavors to clear away the mists which prevent so many from seeing the road.

The reader may object: But did not that book set out to show that "war does not pay"? And may add that any book which engages upon such a task today must be a work of supererogation, a hackneyed restatement of platitudes, since we have all accepted the demonstration of the great war, with its outcome of economic devastation, the bankruptcy of victor almost equally with the vanquished, as proof of that proposition. No one, it will be said, believes today for a moment that "war pays."

Which comment would illustrate the way in which a phrase may kill understanding and put an all but complete stop to thought.

Generally speaking, it would be true to say that no one believes that war pays¹ and nearly every one believes that policies which lead inevitably to war do pay. Every nation sincerely desires peace; and all nations pursue courses which if persisted in, must make peace impossible.

All nations are quite ready to condemn "in the abstract," armaments, economic nationalism, international suspicion and

¹ Though it is to be observed that very many—journalists, publicists, politicians—thus ready to assert positively their conviction that "war does not pay" usually, when some case like that of Japan's seizure of Manchuria arises immediately declare that such instances are proof not merely that war often pays, but that it is sometimes an indispensable instrument for providing an expanding population with means of life, for affecting necessary changes in the status quo. A study of the British press during the course of the discussions of the Manchurian problem proves the general conviction that "war does not pay" to be a very unstable one.

mistrust, while each one individually clings to his armament, adds to his tariff, invents new modes of economic nationalism, and insists upon an absolute national sovereignty which must make international order impossible, and the prolongation of anarchy and chaos inevitable.

This is not hypocrisy. The demonstration that war, however victorious, spells ruin, has results alike disastrous and incalculable (especially to capitalists, who are supposed to carry an especial load of guilt for war), produces a political and social chaos whose end no man can see—all this is too plain, too inescapable, not to make the desire to avoid it a genuine one. The explanation is that popular thought does not grasp the relation between policies which seem on the surface legitimate or advantageous, and their final effect as a cause of war and chaos. The problem is not merely to show that "war does not pay" (is not, that is to say, either advantageous to our country, a satisfaction to our pride in it, or necessary to the assertion of its rights), but to show why the policies which we pursue and which we believe do pay, must lead to war; to find why we pursue those policies and to create the will to reverse them.

Thirty years of discussion of this subject have convinced me that mere readiness to acquiesce in the proposition that "war does not pay" is almost valueless as a prophylactic against war, against the errors which lead to war, and against—what is as much to the point—the anarchy out of which war arises and which war perpetuates and which makes impossible the international order necessary to enable us to solve the economic and financial problems of our time, to restore prosperity. Unless there is some understanding of the reasons why we go to war, notwithstanding our belief that it does not pay either moral or material dividends; unless we realize at what point and in what way we cause the results we do not intend and do not desire—until there is intellectual comprehension of that—the nations, while sincerely hating war, may well continue to pursue policies which in the end must make war, and the anarchy which preparation for it involves, inevitable.

Indeed the primary problem is not to "stop war" as a fire brigade might examine means of putting out fires it is to dis-

cover what motives stand in the way of creating an internationally workable world, a world freed in some measure from the stresses which war is an attempt to relieve. To the degree, and broadly only to the degree to which we succeed in that purpose, shall we succeed in the prevention of war.

In a sense it would be true to say that *The Great Illusion* did not discuss the question of whether war paid or not. It discussed the question of whether the reasons underlying the policy which all nations follow, the pursuit of power, were valid reasons; whether preponderance of national power "paid," was effective, that is, for the purposes of political and economic security; whether the motives which prompted competition for it were based upon sound reason; whether preponderant armament paid; whether annexation paid, really added to the wealth of a people; whether trade could be promoted or transferred by dominant armies or navies: what we really meant when we talked of our navy "protecting our trade"; whether the wealth and resources of the modern world were of a fixed and limited quantity, any share of which, seized by one nation, was lost to others, thus making of war "a struggle for bread," or whether the quantity of wealth available depended upon the efficiency of that coöperation by which it was produced; whether the effectiveness of that coöperation was not incalculably reduced by the international situation which preparation for war necessarily produces; what was the real function of force in the organization of these coöperations; what were the conditions of its social employment and where it became self-defeating and anti-social. The book was described in its sub-title as "A Study of the Relation of Military Power to National Advantage," and it was in fact a study of the social and economic attributes of national power, of the assumptions which underlay the competition for it, the consequences of that competition and of the policies and aims involved in the general problem of organizing a stable human society, of making a workable world.

*

It is that particular approach which gives the book its relevance to our present problems. To understand the case there presented is to understand why the course which the experts

now urge is necessary. (The facts and arguments which explain the economic futility of war, of military victory, explain more than the utility of war; they explain the futility of maintaining Reparations and Debts claims while also maintaining tariff systems which make payment of the claims impossible; the impossibility of maintaining a stable monetary system indispensable to international trade, side by side with the economic nationalism which threatens to destroy Europe; they explain the reasons which threaten to wreck disarmament, the failure of the world community to deal more effectively with crises like the Sino-Japanese conflict. Had those arguments, not a mere vague acquiescence in the proposition that "war does not pay," really entered into public consciousness, it is certain that a large part of the mess in which we have entangled ourselves would have been avoided; for we should have done early what in any case we were obliged to do at long last at Lausanne in 1932; we should not have had, that is, ten years' prolongation of the economic disorder, confusion and uncertainty which has resulted from the maintenance during that period of impossible claims; should not now be faced by a possible repetition of the futility in the case of the American Debts; should perhaps be ready to coöperate effectively in the international arrangements which alone can make our Disarmament or World Economic Conferences successful; and we should not have had the Treaty of Versailles.

That Treaty seems to have embodied almost every fallacy which *The Great Illusion* of 1909 indicted; every step of constructive policy to which by implication it pointed seems to have been disregarded. Yet the Treaty was imposed by a public opinion (for many witnesses have testified that some of its most dubious clauses were inserted, not because the governments and actual treaty makers believed them to be feasible but because public opinion demanded them) honestly desirous to have done with war, weary of it; by a public which proclaimed sincerely enough that its intention in making a treaty of that kind was precisely to make this the war that should end war. That indeed was the slogan of the time. No one wanted war any more. No one believed that war paid. But the terms

of the treaty are proof that everybody wanted to annex new territory, wanted economic self-sufficiency, preponderant power, strategic frontiers to pursue that is the policy which produced the last war. [We may not have believed that war paid, but quite plainly we believed that annexation paid, that the impoverishment of neighbors paid, and particularly that power paid. Nowhere do we see reflected in that Treaty the belief that our prosperity is dependent upon that of our neighbors, that our economic stability can only be secured by an international coöperation which must be based upon equality of right and which continued competition for preponderance of power must make impossible.]

Certain facts touching the present difficulties of the world stand out. They are these:

(1) Everywhere among serious students of the problems ¹

¹ A typical example—it could hardly be more authoritative—is that of the Basle Committee, composed of representatives of the Chief Central Banks of the World and presided over by the representative of the Federal Reserve System of the United States, which some five years ago reported as follows:

In recent years, the world has been endeavoring to pursue two contradictory policies in permitting the development of an international financial system which involves the annual payment of large sums by debtor to creditor countries, while at the same time putting obstacles in the way of free movement of goods. So long as these obstacles remain, such movements of capital must necessarily throw the world's financial balance out of equilibrium. Financial remedies alone will be powerless to restore the world's economic prosperity until there is a radical change in this policy of obstruction, and international commerce—on which depends the progress of civilization—is allowed to resume its natural development.

...We think it is essential that before the period of prolongation of credits recommended by the London Conference comes to an end (February, 1927), they should give the world the assurance that international political relations are established on such basis of mutual confidence, which is the *sine qua non* of economic recovery, as will not imperil the maintenance of her financial stability.

...In order to revive demand and thus to put an end to the continued downward movement of prices—which is enclosing both debtor and creditor countries in a vicious circle of depression—it is essential that the normal process of investment of fresh capital should be resumed, with a well-defined economic purpose in view—namely, an increase in the purchasing power of the world.

And the Committee warns us:

Time is short. The body of the world's commerce—whose vitality is already low—has suffered a severe shock in one of its chief members. This has resulted in partial paralysis which can only be cured

there is practically universal agreement that international action at certain points is indispensable. This does not mean that the economic and other experts are agreed upon complete remedies; it does mean that they are agreed that if, at certain points, the nations continue to pull at cross purposes, no remedy applied will work. International action is not itself an all-sufficient remedy; but it is indispensable to any remedy.

(2) The experts are agreed upon the interdependence of certain causes of the crisis: that debts are related to reparations, that both are related to tariff policies; that the three are related to the restoration of financial security and monetary stability; that these are related to depression and unemployment, that all are related to the restoration of confidence in the future, which the failure of our efforts at disarmament would destroy, a failure which mismanagement of the Sino-Japanese problem would involve. Debts, reparations, tariffs, financial insecurity, currency fluctuations, monetary instability, depression, unemployment, disarmament, and to them also, one might add pugnacious and suspicious nationalism, are in treatment inseparable, and in this sense one problem.

(3) While there is thus this large measure of agreement in technical and expert opinion, popular opinion, electorates, the kind of opinion of which governments, dependent upon votes, are most afraid, takes issue with the expert at every point; while the experts explain that policy must be increasingly international, it becomes in fact increasingly nationalist. As these lines are written, America presents this spectacle: on the one side all the economists, all the financiers, all the bankers, all the experts, insisting that the European debts should be ruthlessly scaled down or canceled; that only as the result of very great imports of European goods made possible by a low tariff system could those debts be paid to America. On the other side, the great mass of popular opinion, nearly all the voters, all the Congressmen, nearly all the

by restoring the free circulation of money and of goods. We believe that this can be accomplished; but only if the Governments of the world will realize the responsibility that rests upon them and will take prompt measures to reestablish confidence. Their action alone can restore it.

Senators, insisting that the debts shall be paid and the tariff shall be maintained. This attitude will not, of course, be maintained. But by the time that public opinion is ready to take steps that might be effective *now*, the situation may well be such as to demand much more radical measures. This movement of opinion at a slower pace than the development of our crises is one of the characteristic features of the history of the last ten years. In any case the Congressional spectacle is merely a duplication in American setting of what went on in Europe for ten years, and is merely illustrative of a situation general to the whole field of international relations. American insistence that the principles of George Washington, complete isolation, framed for a type of society as remote from ours as is that of ancient Athens, shall guide the world of 1932—all this is broadly the feature which characterizes the relations of European states the one to the other. Any real international agreement, nearly all effective international coöperative action, is blocked by a general sentiment of the public fundamentally hostile to internationalism because oblivious of its necessity and because the more widespread impulse is towards the contrary doctrine of national action backed by national power. And that public fails to see that the result of applying these doctrines of economic and political nationalism and isolation to the conduct of international affairs must inevitably in the long run be war.



A word as to the nature of popular approval or disapproval of public policies is here necessary.

In a public speech recently (Feb. 20, 1933), the Prince of Wales said:

The doctrines of economic self-sufficiency and exclusive nationalism spell disaster in the changing conditions of modern life.

No individual producer, no industry and no nation can command economic destiny singlehanded, nor can it pull through alone.

All the nations are realizing more and more that they are economically interdependent, but despite this encouraging fact we have not as yet found a fully effective form of international co-operation, nor a practical way to reconcile limited consumption with unlimited production.

Moreover, in another speech, the Prince dotted i's and crossed t's, pointing out why international coördination and organization is necessary:

The world-wide trade depression and economic disturbance from which we all suffered so much has been largely caused by maladjustment of distribution and consumption of the world's capacity for production. The potential output of the existing means of production in the world is far greater than ever before. If all the employable labor were employed for a reasonable number of hours per week, the world would have at its disposal a volume of commodities and services that would enable the entire population to live on a higher level of comfort and well-being than has ever been contemplated in the rosiest terms of the social reformer.

The urgent task for the world is to bring about the adjustment necessary to bring consumption and production into proper relationship—not a simple, not an easy, but quite a possible task.

And he ended by an appeal for "trained intelligence" to be brought to that task. What has actually been brought to that task by the public is not trained intelligence; it is mainly certain easily stirred sets of emotions, one set usually opposing another.

When the Prince thus spoke of world-wide interdependence as of the very essence of the modern economic system, the business men he was addressing cheered lustily. His audiences cheer as lustily when he speaks in favor of the League of Nations (of which he happens to have made publicly an extremely competent and sensible defense). But they cheer very nearly as lustily when Lord Beaverbrook tells them the exact contrary—tells them that it does not matter how much foreign trade we lose, "because there is the Empire"; that the rest of the world can go hang; that "this internationalism is all bunk" and that the League of Nations ought to be scrapped.¹ If a proportion of the business men thus instructed are more than a bit dubious, the great multitudes who continue to read the Beaverbrook Press seem to see no contradiction between what they read therein and what they cheer when the Prince

¹ They applaud even when he tells them that its cost (which bears the same relation to the nation's income that a payment of fifty-five cents a year does to the income of an individual having \$17,500 a year) is ruining our finances.

of Wales or Mr. Baldwin or the Prime Minister addresses them. There seems to be no faintest realization that if what the Prince has been saying about the world and the League and this country's position is really true (and it happens to agree with what men like Sir Arthur Salter, Professor Clay, Mr. Maynard Keynes, Mr. G. D. H. Cole, Sir Walter Layton, Sir Josiah Stamp, Sir William Beveridge, and a host of others, who have devoted their lives to the study of the subject, tell us), then certain popular newspapers are engaged in destroying our country's security and prosperity, in a work of infinite danger and mischief. But the good public accept both with about equal readiness. Which means that they understand neither. Both appeals touch a certain group of emotions: the Prince's, the vague feeling that it is moral and high-minded to be good friends with all the world; the stunt Press, the vague feeling that we ought to put the Empire before a lot of Dagoes and Bolsheviks. Both sentiments can be cheered equally, and both, in a sense, sincerely. It is noteworthy that the "biggest circulations" never argue; they assert. They propound a philosophy which flies in the face of experience, of history—particularly of very recent history—of the facts of daily life, of the statistics of our trade, the carefully-considered views of every serious student of economics or politics. But newspapers of this type are not disturbed by trifles like that. For, thanks to the character of our popular education, those having some knowledge of economics, of the nature of the industrial and commercial situation of Great Britain, the relation of our economic problems to the facts of geography, of the risks which we face in the international field, the political difficulties the League was designed to meet—those having knowledge of these things are very few indeed; and those completely ignorant of them are very many. The "big circulations" are produced for the many.

*

THE view taken throughout this book, as the reader may judge for himself, is that war is not due to evil intention; is not made by wicked men knowing themselves to be wrong, but usually by good men passionately convinced—on both sides—that they

are right; that the problem is to know why what they believe to be right is in fact unworkable, antisocial, wrong. It is a problem of understanding, the understanding of the kind of international world that has come into being, the nature of the processes by which we live, achieve civilization, maintain prosperity; the conditions of economic and political security. Without that understanding the will to peace may be sincere and genuine and yet be defeated by failure to realize the inevitable outcome of the policies which we pursue.

Take as an illustration the specific case of Reparations and Debts above mentioned, the more significant because of its extreme simplicity, and because the failure to settle that problem has been productive alike of such immeasurable loss by the prolongation of the depression, and of so great an intensification of international bitterness.

The Great Illusion of 1910 included a chapter—here reproduced verbatim et literatim—entitled, “The Indemnity Futility.” Its theme—clumsily stated—is that in great international payments of this kind the analogy which the ordinary layman makes in his mind between payments of money by one person to another and one nation to another is utterly fallacious; that payments of great sums between nations can only be made in the long run in goods or services. If the sums are small enough to be made in gold,¹ the gold itself must either be used by the nation which receives it for the purchase of foreign goods or for an internal monetary expansion which would raise prices in the creditor country to the disadvantage of its export trade and competitive position. The chapter suggests that on the morrow of a bitter war the victor would be in no mood to see his markets or the world’s markets swamped by enormous quantities of goods produced by the defeated enemy state.

One phrase in that chapter runs as follows:

The difficulty in the case of a large indemnity is not so much the payment by the vanquished as the receiving by the victor.

¹ The chapter discusses the hypothetical payment of one thousand million sterling by England to Germany because the late Lord Northcliffe had declared that Germany would go to war with England in order, among other things, to get that indemnity.

The point is recalled, not for purposes (will the reader believe?) of personal vindication which, after all, the events in this respect at least have achieved, but for another purpose: to remind the reader that the failure of the general public to see clearly that particular truth has involved the prolongation during fifteen years of all the miseries that have resulted from the continuance of an immense factor of unsettlement and uncertainty; and may yet involve Europe and America in bitter controversy and further complication of like kind; and further, to point out that the truth would have been grasped instantly if the plain view of international life which this book embodies had become part of the common texture of popular thought. The indemnity chapter was not something apart from and extraneous to the general theme of the book. Its main proposition is all part and parcel of the book's theme concerning the difficulty of transferring by physical coercion wealth in its modern form from one nation to another; that to get another nation's products is not our real concern; that the problem is not one of scarcity of goods but one of maintaining the smooth working of the process by which they are made freely available for consumption, and that crude "seizures" and military tributes must ruinously dislocate those processes. The chapter flows logically from everything else written in the book. And when orthodox economists boggled at this chapter, as they did, I wondered whether I had made clear the case as a whole.¹ For if the case as a whole is accepted

¹ When that chapter as here reprinted first appeared, an extremely able economist wrote me to this effect: "There are some interesting and valuable suggestions in your book, but I do beg of you to keep out of it the sort of 'too clever by half' stuff, which you have put into the chapter entitled 'The Indemnity Futility.' It is a mixture of protectionist fallacies and unfamiliarity with the elasticity of the exchange apparatus. That sort of gaudy brick will jeopardise the whole building, and I think you would be wise to drop it entirely." One very eminent French economist, whose works have been translated into English, in a review of *The Great Illusion*, wrote with the utmost contempt of the suggestion that there would be any particular difficulty in the victor's securing not merely the costs of the war but great sums in addition. I was so impressed by all this that in subsequent editions I did drop part of the chapter which here appears, and substituted for it a much more qualified and guarded statement. But the chapter as first written proved to be an understatement, not an overstatement, of the difficulties which were to be encountered.

that particular point of it is inevitable. The difficulties which have arisen in the Reparations and Debts problems constitute proof in a specific case of the book's argument as a whole.

Not merely was the truth in this matter not recognized, even by economists before the war; it was not recognized by most economists for a considerable time after the war. It was a distinguished banker, a governor of the Bank of England, who urged that Germany could pay annually a sum of twelve hundred million sterling. (Mr. Keynes showed the absurdity of her paying one-tenth of that sum.) Any one who cares to explore what even respectable economists and business men at the time of the Armistice were saying, and compares their pronouncements with subsequent events, could only conclude that we were living in a world of phantasy. As, indeed, we were. For neither specialist nor layman had really faced the changes which had come over the nature of wealth as the result of modern conditions, those economic and political changes to which *The Great Illusion* had attempted to call attention.

Faced finally by the problem of actually using physical coercion for the transfer of wealth from one nation to another and of surmounting the difficulty indicated in the quotation from the indemnity chapter which has just been made, what do we find?



If today, after the event, the reader will go through the mountain of literature, official and non-official, which has piled up around the problem of debts and reparations, it is quite certain that the one point which, above all other points whatsoever, the authorities deem it most important to emphasize is this feature of the "transfer difficulty"; the fact that payment must be ultimately in goods and services, which, though relatively easy for the debtor to produce, are extremely difficult to transfer to the creditor, without financial and economic dislocations of the most serious kind.

It suffices to quote three typical post-war statements: one by the British Prime Minister, one by the French, one by the economist who has specialized most on this matter.

Mr. Lloyd George, in an authorized interview published January 28th, 1921, said:

The real difficulty...is due to the difficulty of securing payment outside the limits of Germany. Germany could pay—pay easily—inside her own boundary, but she could not export her forests, railways, or land across her own frontiers and make them over to the Allies. Take the railways, for example. Suppose the Allies took possession of them and doubled the charges; they would be paid in paper marks which would be valueless directly they crossed the frontier.

The only way Germany could pay was by way of exports—that is by difference between German imports and exports. If, however, German imports were too much restricted, the Germans would be unable to obtain food and raw materials necessary for their manufactures. Some of Germany's principal markets—Russia and Central Europe—were no longer purchasers, and if she exported too much to the Allies it meant the ruin of their industry and lack of employment for their people. Even in the case of neutrals it was only possible generally to increase German exports by depriving our traders of their markets.

A little later (February 3rd) M. Briand said:

We must not lose sight of the fact that in order to pay us Germany must every year create wealth abroad for herself by developing her exports and reducing her imports to strictly necessary things. She can only do that to the detriment of the commerce and industry of the Allies. That is a strange and regrettable consequence of facts. The placing of an annuity on her exports, payable in foreign values, will, however, correct as much as possible this paradoxical situation.

And finally Mr. Maynard Keynes:

It would be easy to point out how, if Germany could compass the vast export trade which the Paris proposals contemplate, it could only be by ousting some of the staple trades of Great Britain from the markets of the world. Exports of what commodities, we may ask, in addition to her present exports, is Germany going to find a market for in 1922—to look no farther ahead—which will enable her to make the payment of between £150,000,000 and £200,000,000 including the export proportion which will be due from her in that year?... If the Paris proposals are more than wind, they mean a vast reorganization of the channels of international trade. If anything remotely like them is really intended to happen, the reactions on the trade and industry of this country are incalculable. It is an outrage that they should be dealt with

by the methods of the poker party of which news comes from Paris.¹

All this is now an old story. Yet it took ten years for the truths just expressed to be translated into public policy the while European finances, industry and commerce went to pieces; ten years for the European public to see the point (if indeed they see it yet), while today exactly the same obtuseness characterizes American public opinion in the matter of debts. For the American electorate—as the attitude of both parties in the election of 1932 proved—the fifteen years' discussion in Europe of the transfer difficulty might never have taken place; the reports never have been issued, the Blue Books never written, the economists never have discussed the matter. The immense majority of the newspaper leading articles never mention the point. The refrain is rather: "If you can spend all that money on armaments, you can pay us"—although America would certainly not accept payment in armaments.² The speech in which the Senator notified Europe, "We don't want your goods; we don't want any more of your gold, we want your money," expresses a perfectly normal view of the situation.

The fashion in which the politicians were compelled to react to this public opinion is explained by Mr. Winston Churchill. After summarizing and supporting what are in fact the arguments made by this book in 1910, Mr. Churchill writing of the post-armistice period adds:

These arguments were unseasonable. Their mere statement exposed the speaker to a charge of being pro-German or at best a weakling. Not only the ordinary electors, but experts of all kinds, financial and economic, as well as business men and politicians, showed themselves unconsciously or wilfully blind to the stubborn facts. But...

I held firmly to the Treasury estimate [which was £2,000 millions] when I faced the electors of Dundee. I dressed it up as well as possible. "We will make them pay an indemnity." (Cheers.) "We will make them pay a large indemnity." (Cheers.) "They ex-

¹ *The Manchester Guardian*, January 31st, 1921.

² The present writer, in order to bring home the point (certainly not with any hope that the plan would be adopted), suggested, in America, that there was one way by which Britain could pay her debt to America: let Britain in future build the American Navy and supply all American military material. The plan would surmount the tariff difficulty, the transfer difficulty and relieve the American taxpayer.

acted from France a large indemnity in 1870. We will make them pay ten times as much." (Prolonged cheers.) ("200 millions \times 10 = 2,000 millions.") Everybody was delighted. It was only the next day that the figures began to be scrutinised. Then came a hectoring telegram from an important Chamber of Commerce. "Haven't you left out a nought in your indemnity figures?" The local papers gibbered with strident claims. Twelve thousand millions, fifteen thousand millions were everywhere on the lips of men and women who the day before had been quite happy with two thousand millions, and were not anyhow going to get either for themselves. However, adding under daily pressure, "Of course if we can get more, all the better," I stuck to my two thousand millions.¹

Fifteen years later, Senator Hollis, writing ² of the American situation, says that though the bankers and experts want cancellation and insist that the retention of the claims does infinite damage to finance and trade, "they overlook the difficulties of the unemotional gentlemen who hold down seats in Congress," and states the Congressman's view thus:

Didn't we raise that money by giving till it hurt? Wouldn't they have lost the war if it hadn't been for our loans? That's what they said. And they promised to pay. If they don't we've got to sweat it out of our people in taxes—in hard times, too. Just look at our deficit. A few hundred millions would come in mighty handy just now. To postpone payment on war debts, even for a twelvemonth, was a crime against the American taxpayer.

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BUT the Reparations and Debts problems are only two among many instances of the way in which the almost self-evident facts of international life which this book stresses are simply disregarded by the big public. That public has failed, so far, for instance, to grasp the real nature of the relationship between Disarmament and economic restoration. Disarmament is related to the problem of financial and economic restoration, not because of the money spent on armaments (which if prosperity were reestablished would be a relatively small burden), but because if the armament competition goes on, we can never make the international arrangements which are necessary

¹ *The World Crisis. The Aftermath*, Thornton Butterworth, p. 46.

² In *The Saturday Evening Post*.

to the reëstablishment of financial and economic security, never reëstablish confidence.

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WE commonly regard such failures of public understanding as those with which we have just been dealing, as inevitable, arguing that these are difficult and complex problems, on which the experts themselves differ; and that the tendency to let our emotions instead of our reason guide our conduct is a tendency so deeply set in human nature that we must simply accept it.

This book denies that such failures of understanding by the multitude are inevitable. It is true that specialist knowledge of the more abstruse aspects of the problems upon which we go astray is beyond the capacity of the ordinary busy citizen, absorbed in personal affairs; and that the desire of men for emotional expression is deep and indestructable. But it is also true that that part of the problem which, if apprehended, would enable us to avoid making the most disastrous of our mistakes is exceedingly simple, almost self-evident, quite within the capacity of the ordinary man. And it is also true that though men must act emotionally, we can be just as satisfyingly emotional over a good policy as a bad one, immediately we perceive that it is good. Our emotions are not suppressed by a new reading of facts, they merely flow in a different direction.

All these truths are commonplace in other spheres. Doctors of medicine differ as much as doctors in economics, and broadly speaking can cure nothing. But one agreed truth of their science has wiped away (in the West) some of the ghastliest terrors of life—bubonic plague, cholera, leprosy. To do that the layman had to understand the point at which the doctors *were* agreed. In the Western world (not in the Eastern, be it noted) the layman *has* achieved that understanding with sufficient vividness to enforce the sanitation which enables us to avoid diseases and pestilences that cannot possibly be cured once we get them.

The task which *The Great Illusion* sets before itself is not so much to restate those agreed truths which in politics and

economics correspond to the microbic theory of disease in medicine, and which, if acted upon by the layman, would prevent the economic pestilences which have cursed us, and which once arising we cannot cure; the task of the book is not so much that, as to discover what confusions or obstacles stand in the way of the millions seeing and acting upon political and economic truths inherently as simple as the explanation of disease transmission by microorganisms; and then to insure that the restatement takes those obstacles into account. To illustrate: if a sanitary officer had to persuade populations in India or China to change sanitary methods that were causing cholera, he would be unwise to send as emissaries even the most learned experts in bacteriology, unless those experts were also experts in the habits, psychology, way of thought which prevented those Eastern populations from adopting sanitary measures already adopted by Western populations not necessarily more intelligent or educated than Indians or Chinese, or less afraid of pestilence. That officer would be confronted, not merely by a problem in bacteriology, but by one of popular psychology—of overcoming inertia, fatalism, superstition, religious prejudice or what-not.

The illustration gives hint of a truth strangely neglected in wrestling with the Westerner's failure to apply to the prevention of political and economic pestilence truths no more complex or difficult to understand than those which justify modern sanitation. Economic errors often persist because of misconceptions which may not belong to the domain of economics, but which nevertheless prevent the economist's truth from being accepted.

Take Reparations. The facts were self-evident. Germany could only pay in goods; we did not want her goods to go into the world markets; but she must pay. The usual explanation is that at the time of the Treaty making we were so angry with Germany that we could not see the simplest fact. But it would be truer to say that we were angry because we could not see the simplest fact, particularly the fact that in our desire for "punishment," our punishment would fall mainly upon those who had nothing whatever to do with the acts which had made us angry. We were passionate, largely because we

thought of Germany as a single person with a single will;¹ had we seen that we had allowed a convenient symbol to become an actual thing of flesh and blood in our minds, that in fact the very mixed population of Germany no more makes a "person" that can be held responsible in that way, than the people living along the line of the Great Western Railway can be held responsible for the crime of some season ticket holder on the line, much of our anger would not have arisen.

In stressing the fact, as *The Great Illusion* did, and does, that nations are not economic units, that properly speaking there is no such thing as "German" trade in competition with "British" trade, any more than there is "Kentish" trade in competition with "Surrey" trade; in showing that trade is properly speaking transnational, not international, not between nations, that is, but between individual trading across frontiers, the author was prompted by the need of jolting the mind of the reader into an examination of the way in which he thinks of nations and uses these symbols, these effigies of "John Bull" and the rest. The psychological result of perceiving the economic truth is the most important result.

The perception does not change human nature, but it changes human behavior,² the direction taken by our emotions; and it is that method of approaching the pugnacities and animosities of the international problem which this book uses: not to exhort the average sensual man to love his enemy but to show that the thing he is hating is a figment; not his enemy.

That this change of direction in our hates can be achieved an illustration will show: Your child has been murdered horribly. Circumstances point to X as the assassin. It is "in human nature" that you should loathe him, and want vengeance. Fresh evidence, due to the highly intellectual work of a detective, reveals to you plainly that Y is quite indubitably

¹ "Germany has not yet truly repented, and until she does so with more sincerity in her heart, as well as with a mere desire to profit by our generosity" . . . (quotation from a letter to a London paper).

² Major Yeats-Brown writes in the *Spectator*, Dec. 30, 1932: "I do not see how war can be abolished from human society unless human nature is altered, and unlike pacifists, I see no sense in wishing or expecting to alter human nature."

the assassin. Your emotions are just as fierce and "uncontrollable" as ever, and you want vengeance as much as ever. But a new perception, due to your power to follow the detective's reasoning, causes the emotion to be transferred from one object to another. It may have taken the detective months to work out his chain of evidence, but once established, you grasp it in as many minutes, without his particular intellectual qualifications. It is true that if the father of the child, perhaps some dull, toil-burdened peasant, happens to be excessively stupid, unable to follow even the simplest argument, the detective's demonstration will have no effect in changing the direction of the parental hate. But that would be due, not to the depth of fierceness of the emotion, but to the dullness of the man's perceptions. For in the case of another man, of quicker wit, but, it might well be, with far deeper love for his child and still greater hatred of her murderer, the thought that the guilty might escape, would be the very fact which would cause him more quickly to transfer his implacable vengeance from one object to another.

We desire now to stop the repeated murders of our nation's prosperity, welfare, security. Who—what policies—are the murderers? *The Great Illusion* was an attempt to do a little detective work in the discovery of the culprits, and transfer the emotion to the right quarter.

If some of us in 1919 did not clamor for the punishment of "Germany," it was not because we were less moved than those who did so clamor by the atrocities of war, but because we saw "Germany" not as a person at all, but as an abstraction; an entity which included underfed children, old women, ignorant peasants as well as besotted high-collared officers; as well ask us, to recall our illustration, to loathe all season ticket holders on the Great Western Railway, because one of them had murdered a child. The "person" we were asked to hate and punish was not for us the "person" responsible, and the failure to hate on the part of some of us at least was certainly not due to emotional low temperature, but to our decision as to where the guilt lies.

A clearer notion of what the national "person" whom we hate, or whose competition we fear, actually is, undoubtedly

constitutes one of those simple and important truths, within the intellectual capacity of the busiest citizen, which if better realized, might play a rôle in preventing the political and economic pestilence, corresponding to the rôle which the understanding of the microbic theory of disease has played in the prevention of physical pestilence. The importance of this factor explains certain features of *The Great Illusion*.

But there is a related truth, still more fundamental and still simpler, even still more ignored, as necessary to clarify today as it was twenty-five years ago, which forms a large part of the case here presented.

The truth is this: That just as we have not faced the question whether a nation is a "person" at all, in the sense we assume, so we have not faced the question whether the object of our nationalisms is the welfare of our own people or the injury of others; whether the nationalist motives which we invoke as nobler than the mere material one of "profit" for our people (i.e. their prosperity and welfare) is in fact nobler, or a desire to indulge in the political sphere certain primitive and savage instincts which the everyday life of the ordinary individual gives no opportunity to indulge.

Nationalism is usually buttressed by battle cries which are made to appear noble: "My country, right or wrong"; "sacregoisms." If the slogans of nationalism were applied to individual conduct, "Myself first; myself alone; myself right or wrong," we should see Nationalist morality for what it is—an opportunity to indulge vicariously, in national policy, the savage instincts which personal life in organized society within the nations affords no opportunity to indulge.

In many cases it is quite clear that motives behind public policy are not a desire for welfare or prosperity at all. The Indian Nationalist, the Irish Republican, many German Fascists are quite conscious, and will tell you, that their policy is not dictated by consideration of national prosperity, but by "higher things"—the nation's "soul." But when we examine the long and murderous story of the Nationalist feuds of the Balkans and Eastern Europe; incidents like the Dreyfus affair, in which Nationalist passion was so deeply stirred; or the fashion in which in the past—even the very recent past,

as Big Bill of Chicago illustrates—perfectly irrelevant historical feuds are exploited and play a large part in determining public policy, we are obliged to ask whether these non-material motives are in fact better motives than the desire to do the best possible for the prosperity of one's people—and to ask whether we have really made up our minds what we want of politics, of our efforts to create states and defend them; of our plans for security, for a better organized society; whether we really want prosperity—plenty, food, shelter, health, provision for old age, economic security—security, that is, of daily bread, peaceful means of livelihood—freedom to live our national life in our own way. It seems absurd to ask whether we really want those things of our political endeavor. Of course, the reply will be, we want those things.

Yet it is about as certain as anything well can be that we drifted into the war, into the making of the disastrous peace which followed it; into the post-war chaos and confusion, the mutually destructive economic nationalisms which have brought our economic apparatus to wreckage, mainly because we did *not* ask ourselves whether we wanted welfare and the things indispensable thereto, or whether we wanted certain other things in conflict therewith, which perhaps we had not defined even to ourselves. The question indicated above is one which a world, wrecking itself on the rocks of nationalist fallacies, passions and retaliations still needs to ask, and which for the most part it still fails to ask with any clarity.

That is why *The Great Illusion*—"A Study of the Relation of Military Power to National Advantage"—raised bluntly in its first chapter the question whether economic advantage was a worthy aim and whether military power would promote it, and, later, whether we even intended to promote it by that means.

It is more necessary than ever to make up our minds whether we want prosperity or not. History since the War proves that our publics still do not know.

When we came to make the peace it was plain that what we wanted was not the welfare of Britain, but retaliation upon the enemy. Elsewhere I have described as illustrating the fact, a certain public meeting during the election of 1918:

One candidate doing his best to show that our Reparations demands, as then being made, would be bad for Great Britain. Being a less astute politician than Mr. Churchill,¹ he was howled down in favor of a rival candidate, who confined himself to calling for the hanging of the Kaiser and reciting the German atrocities of the war. The latter was elected on the strength of the enthusiasm he then roused, although his speech then, like his other speeches, had not one word concerning the welfare of Great Britain. He knew as a good politician that the public were not interested in that. They were interested in feeding hungry emotions; discussions of trade, financial stability, unemployment,—welfare and prosperity, that is—bored them stiff. If you had asked them whether they wanted welfare and prosperity they would of course have replied that they did. Yet they voted then for a policy which helped to defeat those ends; their vote was part of the force which pushed Europe into the economic abyss.

The American electorate behaves not dissimilarly over the Debts. An American paper (*The New York Nation*) the other day registered a somewhat naïve surprise² that in the matter of the Debts the average American congressman could not be brought to face and answer the question: What, when all is said and done, is, on balance best for the interests of the United States? That is the very last consideration which, says

¹ See quotation *supra*.

We are all familiar with the militarist who says: "I want peace just as much as you do" and then proceeds to argue, as an eminent Englishman of letters did recently, that "perpetual peace seems to me to lead to stagnation, sterility and psychic suicide." These people certainly do not know whether they want peace or war.

² In these terms:

"Even the most cold-blooded banker does not refuse to examine his debtor's capacity to pay. He does not shout at his debtor, as so many Congressmen are now shouting: 'Pay or repudiate—all or nothing!' He is not primarily anxious to humiliate his debtor, to call him a welcher, to pick a fight with him, to cut off any possible future friendly relations with him. He is primarily anxious that his debtor be kept going, so that that debtor will be both able and willing to repay him as much as he can. This would be the attitude of our Congressmen if they were thinking merely of our self-interest; but the utterances of many of them make it clear that they are actuated to an astonishing extent by pure malice and hatred, no matter how costly those sadistic emotions may be to us."

the *Nation*, seems to determine the attitude of the politician—or, it might have added, the voter.

That we have not asked ourselves what we want is also tragically proved by the fact that when we proclaim certain definite moral aims not related to prosperity as the purpose of our national policy, subsequent events reveal us as being indifferent to them. We declared that our purpose in entering the war was to destroy autocracies and vindicate the principle of democracy¹ or of arbitration; or the rights of small nationalities. And then when the war for democracy is followed by an epidemic of dictatorships of a severity which the pre-war world could not parallel, the result is applauded by the very people who a year or two previously were sending whole millions of their country's youth to die in order to prevent it.

It would hardly be an exaggeration to say that our popular press of 1933 treats daily with derision and contumely the moral aims of the war passionately proclaimed when we entered it; and for which our youths were sacrificed.

The point for the moment is not which of the two contrary views held by our public—the view of 1914 or that of 1933—is the right one; but to realize that to know what we want, and then to judge whether that want is a worthy one, is the first step to wisdom, to sanity even, in the control of our national policies.

The oscillation, or contradiction, that we have seen in the examples just given, is revealed in another way. The same military nationalist who is usually so ready to deprecate the introduction of economic considerations into the discussion of international affairs ("We are not cotton spinners all" as a poet laureate wrote), is also usually the type that favors high tariffs, the exclusion of foreign goods, the maximum of damage to the welfare of foreign nations.

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¹ The opening sentence of a five-volume *History of the Peace Conference of Paris*, edited by H. W. V. Temperley, and published under the auspices of the Institute of International Affairs, is as follows:

"The war was a conflict between the principles of freedom and of autocracy, between the principles of moral influence and of material force, of government by consent and of government by compulsion."

THE persistence with which *The Great Illusion* asks the question: What are armaments, national power, *for*? was intended to compel a stocktaking of motives and ends; to be clear what it was we wanted. The author never supposed for a moment that the sole motive behind war was economic. Indeed his first book was written to prove the contrary. But he has argued that national policy, if welfare is the aim, must and ought to be in part economic, the desire, that is, to maintain civilized standards; and that when we realize that the maintenance of civilization is incompatible with the institution or method of war, we may be brought to abandon it. The author's position has been stated in an earlier book thus:

To quote an earlier statement of the present writer:

Underlying the disruptive processes so evidently at work in the international field is the deep-rooted instinct to the assertion of domination, preponderant power. This impulse, sanctioned and strengthened by prevailing traditions of "mystic" patriotism, has been unguided and unchecked by any adequate realization either of its anti-social quality, the destructiveness inseparable from its operation, or its ineffectiveness to ends indispensable to civilization.

The psychological roots of the impulse are so deep that we shall continue to yield to it until we realize more fully its danger and inadequacy to certain vital ends like sustenance for our people, and come to see that if civilization is to be carried on we must turn to other motives. We may then develop a new political tradition, which will "discipline" instinct, as the tradition of toleration disciplined religious fanaticism when that passion threatened to shatter European society.

Herein lies the importance of demonstrating the economic futility of military power. While it may be true that conscious economic motives enter very little into the struggle of nations, and are a very small part of the passions of patriotism and nationalism, it is by a realization of the economic truth regarding the indispensable condition of adequate life, that those passions will be checked, or redirected and civilized.

This does not mean that economic considerations should dominate life, but rather the contrary—that those considerations will dominate it if the economic truth is neglected. A people that starves is a people thinking only of material things—food. The way to dispose of economic preoccupations is to solve the economic problem.

Mr. R. G. Hawtrey in his *Economic Aspects of Sovereignty*, makes the fact that power is desired for itself a

ground of criticism of the argument here presented. He says:

Norman Angell's argument is, within its limits, an important truth. The opinions he attacked were misconceptions and very dangerous misconceptions, which his attack did something to dispel. But he did not succeed in completely disposing of the case.

The popular desire to acquire sovereignty over more and more territory is ostensibly based on beliefs and expectations a great part of which can indeed be written off as mere illusions. But there remains a hard residuum which is not mere illusion.¹

It would be illusion, he implies, if the objective were welfare. But it is not illusion if your objective is power for itself, irrespective of what it can do in the promotion of welfare. Mr. Hawtrey continues:

The economic ambitions of states are to be expressed in terms of power. We are accustomed to think of economic ends in terms of welfare, but in matters of public policy that is never the whole story. To each country power appears as the indispensable means to every end. It comes to be exalted into an end itself.

So long as welfare is the end, different communities may co-operate happily together. Jealousy there may be, and disputes as to how the material means of welfare should be shared. But there is no inherent divergence of aim in the pursuit of welfare. Power, on the other hand, is relative. The gain of one country is necessarily loss to others; its loss is gain to them. Conflict is of the essence of the pursuit of power. If it has constantly been an aim of public policy to use the authority of the State to favor the activities of those who undertake economic development, even to the extent of acquiring undeveloped territory as a field for their activities, and possibly risking war in the process, that is because this policy has been believed to further the power of the State.

So long as international relations are based on force, power will be a leading object of national ambition. There results a vicious circle. When a political leader says that war is necessary in his country's vital interests, what he usually means is that war is necessary to acquire or to avoid losing some factor of national strength. The interest is only vital in the sense that it is vital to success in war. The only end vital enough to justify war is something arising out of the prospect of war itself.²

But surely all this makes it more necessary than ever (a) to be conscious of what we really want; and (b) to know

¹ *Economic Aspects of Sovereignty*, R. G. Hawtrey (Longmans, Green & Co.), pp. 25-26.

² *Ibid.*, pp. 26-27.

whether the means we are applying are likely to achieve it. In other words to know, in this connection, what power is for. In many circumstances of daily life the means becomes valued as an end by reason of habit, routine. But we also know that when some circumstance compels us to take stock of things, to say, "Why really am I doing this? Why did I begin doing it?" and realize that we have never really asked ourselves the question, or that the circumstances which first prompted us to do it have completely altered—then the activity as an end in itself usually loses something of its value in our eyes.

For power, the struggle for it, the fear of it in others, is the ultimate fact explaining the political chaos in the international field; and the political chaos is the main obstacle to the economic understandings which we must achieve before remedies can be applied.

It is this phenomenon of power which *The Great Illusion* analyzes.

Two points in respect of it should be disposed of. The first is a widespread belief that public opinion has little to do with the competition for power; that it is purely the work of "interests"—armament firms or others.

That such interests exploit any current idea to their advantage is certain. But to dismiss the continued failure of Disarmament as due to the ability of interested parties—armament makers, admirals, diplomats—to compel whole nations to do what those nations have clearly determined not to do, is surely absurd. A few score officials—or capitalists—cannot by their physical power compel hundreds of millions year after year to go on paying taxes, taking vast risks, jeopardizing prosperity, if those millions are persuaded that the taxes, the risks, the sacrifices are quite unnecessary and indeed mischievous.

The Reparations and Debt situation is proof enough that the public can impose its view if it has one. For years in America the powerful banking interest has been in favor of debt reduction or cancellation, but helpless in the face of a Congress that is in turn afraid of running counter to the strong views of the electorate. At the 1932 Election, both Presidential Candidates had to give pledges hostile to cancellation, though

certainly both knew that cancellation had ultimately to come. Herriot, who did attempt to defy popular feeling, suffered the fate we know. Were there any corresponding public feeling in favor of disarmament it would make itself felt. Whether we take the view that governments refuse to stand for thorough-going and radical disarmament because they fear repudiation by the electorate—the fate of a Wilson or a Herriot—or whether they desire to retain armaments and believe they can bamboozle public opinion, the ultimate fact is public opinion.

The vested interests—if we explain the situation by their influence—can only get the public to act as they wish by manipulating public opinion, by playing either upon the public's indifference, confusions, prejudices, pugnacities or fears. And the only way in which the power of the interests can be undermined and their maneuvers defeated is by bringing home to the public the danger of its indifference, the absurdity of its prejudices or the hollowness of its fears; by showing that it is indifferent to danger where real danger exists; frightened by dangers which are non-existent.

This somewhat lengthy parenthesis has been necessary because so often in this discussion is it implied that, since certain vested interests are powerful (an undoubted fact) the opinion of the public is of no account. But those interests owe their power largely to the fact that the public respond with such readiness to any appeal to the emotions which gather about the fallacies here discussed. Only by the exposure of those fallacies can we undermine the power of the interests and deprive them of the tools which they employ.

Let us examine therefore the nature of the motive which they exploit, this determination avowed by all alike, to maintain at all costs and at every risk, however great, each his relative position of power. The public support that policy; plainly share the fears.

But of what precisely is each afraid? What does each fear as the result of some competitor becoming more powerful than himself? Suppose that some nation, tired of it all, said: "We are through. We are going to reduce our army and navy to ornamental and police purposes and take the risks involved?" What *are* the risks? What would happen? What precise

catastrophe would overwhelm us—if we were the one to take the risk? Should we all starve? Or be deprived of our property or livelihood? Should we be transported to slavery? Would foreigners rule us? Or would they leave us alone? Are the risks so dreadful that we should make almost any sacrifice rather than run them? Or are they relatively small? Are they risks of life, wealth, prosperity, property, trade, nationality, freedom, or perfectly futile things to which no sensible man would give a second thought? Against what are our military and naval forces created to protect us? In other words, what are armaments for? What is the struggle, the effort and burden and bitterness and paralysis of prosperity and the threat to peace all about? WHAT does each fear? WHAT does each want? Plainly it is the very first question which we must settle. Until we reach it we have not reached the essence of the matter at all, and cannot expect to solve the problem involved. Until those questions are answered we shall stand in danger of being carried away by panic fears just because we never have faced what it is really that we are afraid of. Until we have examined it and weighed it, we are quite unable to balance the risks and advantages of one course as against another; our feeling will be subject to mood and accident: at the mercy of any vivid suggestion, however preposterous.

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It is a strange fact that the very first questions that should be asked about armaments, "What are they for?" "Against what dangers precisely do they protect us?" "What would happen to us if we did not possess them?"—that is precisely the type of question which in all these years of endless Conferences, of vast mountains of documents, reports, discussions, accusations, counter-charges, never seems to get any attention.

It is a fact upon which some future student of the condition of political thought in the twentieth century will doubtless have a good deal to say, that sixty nations having assembled for the purpose of disarmament, have managed to carry on the discussion for ten years without once, any one of them, ever having dealt with the question "What are the ultimate risks of Disarmament?"; without newspapers ever really dealing with it,

the public mind ever getting to the bottom of it. Each nation gets passionate on the point of whether some other has more powerful types of warships, a more powerful air force, more submarines, greater expenditure, secret arming. But what ultimately the other state proposes to do with victory when finally at dreadful cost it has obtained it—that we never discuss. Having discussed strength and weakness for ten years, the one question we have never asked is whether relative weakness would be the end of all things or would make practically no difference? It is the first and last question with which "The Great Illusion" deals.

The nearest to an answer that one usually gets in raising the question in private discussion is usually an explosive retort: "You imply then that it is a matter of indifference to us whether a foreign nation comes in and rules us?"—having implied nothing of the sort. For reasons outlined in these pages I have tried to show that resistance or non-resistance is apart from the general thesis of this book; that there is little to hope for along the line of unilateral disarmament. (To say nothing of the fact that the retort bags the whole question. Do strong nations necessarily suppress or rule the weak? What of the small states whose position in Europe is discussed in this book?)

The questions asked above are put, not for the purpose of presenting a case for non-resistance, but for arriving at some positive data for deciding the rival merits on the one side of the national predominance of armament as a means of defense and on the other of international agreement for co-operation in defense—which is the real issue of Disarmament. To have any material for decision on that matter one must know what in fact national power can do; be clear as to its final effectiveness and final purpose.

The reasons which prompt me to reject non-resistance, unilateral disarmament, as the right conclusion to be drawn from the arguments here presented, are implicit in those arguments as a whole. It is true that an aggressor could derive no advantage from an attack upon us and could only injure himself; the history of the small states in Europe is proof that military weakness can go hand in hand with national security.

(Belgium suffered, not because Germany wanted to attack *her*, but to get at France; the Belgian case was an incident of the struggle between Great armed states.) But even in the small state the impulse to the increase of power is constant; power is desired as a means of maintaining national rights; and in any dispute with another, even minor material questions, especially questions of frontier adjustment, become questions of abstract right, for the vindication of which the whole nation—each side is deliberately taught to feel—should be prepared to die.

The whole case is illustrated by the post-war history of Germany. Germany's powerlessness during these fifteen years has not endangered her material security (the fact that she was unable to resist the Ruhr invasion saved her from mountainous losses and miseries which she would have suffered if she had resisted). When she virtually repudiates her debts and obligations, her creditors can do nothing. Non-resistance in a material sense has worked. But note that it is being abandoned. The right to equality of armament so fiercely asserted has been granted; and the victory of the Hitlerites reveals how powerful is the mystic nationalism to which they appeal with such success.¹

While such a state of mind lasts there are real grounds for fear. But the old method of dealing with such fears—competition for preponderant national power—was obviously, idiotically, self-defeating, and necessarily made the situation worse. Not only does it stand for mathematical impossibilism (if one party is secure, the other is insecure), but it worsens the very fears and stimulates the very impulses out of which the problem arises.

Yet we have seen—the case of Germany illustrates it—that a state confronted by more powerful neighbors will always attempt to correct that position of inferiority if it can; correct it, unfortunately, by making the other inferior, which, of course, brings the problem not one whit nearer to solution.

¹ Something of a similar "right to equality" feeling was revealed in the American demand for naval "parity." Obviously the main element in the American demand was the schoolboy attitude: "Why the hell should you have a bigger stick than me?"

The motives are mixed: fear, "inferiority complex," the deep impulse to assert power, all stimulated by those appeals having in them so large an element of mysticism with which the Hitlers, the Valeras, the Ghandis, have lately made us familiar.

In that situation surely the best chance of dealing, alike with the fears and the inferiority complex, is not to ask a nation to put itself at the mercy of a stronger one, but to invite it to contribute its own strength to the collective power of the community of nations in order to uphold equality of right for all; a general rule, one for instance, entitling all to the right of third party judgment, freedom from the necessity of accepting the decision of the rival litigant, because it happens to be stronger. Surely there is a greater chance of dealing with the sensitive pride which is so large a part of nationalism by that method than by demanding of nationalism, which usually proclaims a morality inferior to the morality of normal men and women, a renunciation which normal men and women would not make in their personal relationships.

For the fact that the question asked above is, broadly speaking, never discussed, does not mean that the public have no ideas about it. They have ideas not the less panic producing because they happen to be unexamined. About some of them one can say two things: First that they are utterly and absurdly false, and secondly that they are never questioned because they seem to the public so unquestionably true.

In the pages which follow there is produced, in an abundance which I fear must prove wearisome to the reader, evidence not merely that the public of the uninstructed, unpolitical, picture-reading order, feels that armaments are the means by which a nation survives in the world wide struggle for existence, gets its share of the limited resources of the world are, in short, instruments in "the struggle for life and bread"—evidence, not merely that that is the general impression of the illiterate, but that today, in this year of grace 1933, it is still the conviction of political writers, journalists, politicians; a conviction, as alive as ever, waiting beneath the thin surface of moralist generalities about the desirability of peace to be given expression in actual policy.

In a study dated 1932 a severe critic of the present writer, dealing with the ideas here set forth, says:

Let us see whether Angell's theories prove the futility of war by Japan to extend her territories southwards. Japan is four-fifths mountain, and the remaining fifth is so densely crowded that two-thirds of the farms have less than two and a half acres and one-third have less than one and a quarter. Consequently the people are condemned to the most rigid vegetarianism, being deprived not only of flesh, but of butter, milk, cheese and eggs. Less than half ever taste fish. Fruit is almost unknown. . . . Let us now suppose that Japan saw an opportunity to pounce on vast empty territories like Australia, New Guinea and Borneo. . . . The whole of Australia is nearly as large as Europe with a smaller population than Belgium. New Zealand, which is larger than Britain, has little more than a million people. . . . All these immense areas, British and Dutch, have only one protection, the British navy. Let Japan defeat the British navy in a battle off Singapore, and she has only to stretch out her hand and seize this vast empire. Under such conditions would Sir Norman Angell seriously maintain that Japan would find war a great illusion? ¹

And that fact—the fact that the British government and public, and the Western World generally, believed Japanese action to have behind it the push of vital national need, that only by action of that kind could a country in the position of Japan ensure its economic future and provide for its population—had a decisive effect upon the direction taken by international events.

The importance of the question resided not, so far as we were concerned, in the direct losses and miseries arising from war between Japan and China, but from the bearing that failure to deal with this crisis by the new international institutions would have upon the abolition of the "war system" throughout the world.

It is, of course, an entirely superficial view that what the public in Britain or America or France thinks and feels about war in general, has no bearing upon what happens in the Far East; that the discussion of "the abstract philosophy of war" must be irrelevant to problems like the Sino-Japanese conflict, and cannot affect events there. Japan may be in a

¹ *Our Prophets*, by R. B. Kerr, published by the author, p. 15.

moral sense completely indifferent to the good opinion of mankind. That is not the point at all. The point is that what the public in Britain, or America, or France thinks affects what the governments in these countries do; the policies they pursue; and the policies which governments pursue, the Alliances they are likely to make or not to make, very directly affect the foreign policies of other great states. All this is extremely elementary; yet it constitutes a relationship between the discussion of "abstract theories" about war and the actual conduct of foreign policy which is very commonly overlooked. It was a commonplace of all who seriously considered the subject at the time, that the attitude of the powers at that juncture might settle for generations the question whether the world was to continue to move towards a collective and coöperative system or to abandon the effort and revert to the old rivalries and anarchy.

Overwhelmingly the public expressed itself in favor of the latter course at a moment when the determining step had to be a prompt one.

"A growing nation like Japan needs outlets." Any attempt to prevent her from "expanding" would, we were told, be like challenging the very tides of the sea; any attempt of the League to bottle up Japan would provoke a worse explosion later on; this was one of those cases where the status quo could not be maintained, and as the League had made no provision for change, Japan was taking the ancient means of affecting it; it was her business and not ours, and on no account must the League be allowed to intervene. We heard a great deal about Japanese over-population, her lack of resources, the vital need for more space and land which animated her policy; the futility of attempting to stem forces of that nature. In fact, prevailing opinion reflected just those arguments embodied in the recent criticism of *The Great Illusion* which I have quoted above.

The public as a whole envisaged the Sino-Japanese problem in terms of the old conceptions, the old assumptions which "The Great Illusion" was written to explode. Comment on the crisis of the popular newspaper, politician type, reveal no faintest

consciousness of the reasons which the book advanced a quarter of a century ago to show that the arguments now used as economic justification for Japan's method simply won't stand analysis; of the reasons for believing that the military adventure in Manchuria, far from providing for the excess population of Japan will make it more difficult for Japan to provide for it; that the secondary effects of this operation are bound to be such as will add to Japanese economic difficulties, not solve them. There seemed to be no slightest realization of the fact that all experience, especially quite recent experience of the most successful empires like the British, go to show that Japanese conquests on the mainland cannot possibly solve the Japanese problem of population and expansion, but will worsen it; while the League method (that, say, of the Lytton report), far from standing athwart Japanese interests and needs, provides the only means by which they may be fulfilled. At the end of this book the facts and arguments as they apply to the special case of Japan are given in some detail. But they are implicit in the whole case as argued in this book. If public opinion took the line that it did, it is because it is still in fact dominated by the old ideas, the old words—"ownership," "conquering," "taking"—and the reasons which reveal their treacherously misleading character have simply not sunk in.

To say of a public which supported Japanese and derided League action in the Sino-Japanese crisis that "it does not believe in war," "does not believe that war pays," is to use language almost empty of meaning. It does not want war, but it follows policies which make it inevitable. It sanctions things which can, it believes (wrongly), only be obtained by war. And though it sees at least dimly that, if those necessary things are to be obtained by peaceful means, then certain changes—like some surrender of national "independence" (we are not independent now)—must be made, it is opposed to making any such changes, an attitude which renders impossible the initiation of constructive methods of peace, the creation of the institutions which are the only feasible substitutes to war. The will to peace, of itself genuine enough, perhaps, is frustrated

by confusions, misunderstandings, the illusions which it is the object of this book to clear up.

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THE general feeling which determined the course of events in the Sino-Japanese affairs is identical with that which explains the failure of the Disarmament Conference, a sentiment which governments either share or fear to challenge and which interested parties, armament firms and others, exploit: the feeling that expanding states (like Japan) are pushed to annexation; that such action indicates clearly enough what armaments are for; they are the ultimate means by which nations insure their share of the world's resources.

That this feeling, underlying casual and conventional declarations of belief in the profitlessness of war, is in fact widespread, is shown not merely by numerous incidents of international politics but by much current writing on international affairs.

In three books, published during the last few years in America, widely distributed, well reviewed, is the thesis maintained that Britain having been successful in destroying the trade of Germany, will now proceed by war to attempt the destruction of American trade as well. The first by Mr. Frederick Bausman, a judge of the Supreme Court of the State of Washington, who maintains the thesis that a clash between Britain and America would be in keeping with the main tendencies which for some centuries have marked the history of British policy. He says:

Great Britain has in the past three centuries humbled Spain, France, the Netherlands, and Germany, each as it rose to a point where it could dispute her dominion over the seas. Nay, more. We must remember that in the first three cases Great Britain was not driven to war through the necessity of bringing food to the Island over an open sea. Our own country fortunately has not disputed Great Britain's dominion on the seas, but we are already gradually doing the same thing by taking from her that world trade which goes with her dominion and which we must eventually protect by a navy of colossal size.¹

It will be noted that he accepts completely the view that

¹ Frederick Bausman, *Facing Europe* (Century Co.), p. 14.

navies can "take" trade and are therefore necessary for its protection. He adds:

Trade is essential to the life of England; not only trade but the carriage of the world's goods. By trade she lives. Has any country ever peacefully suffered another country to make it poor? Would any country without a fight let its bread and meat be taken by the tradesmen and mariners of another? ¹

For him also it is self-evident that the conquest of territory is the conquest of wealth; that an Empire is an "estate" from which the "proprietors" derive vast gains.

So extensive is the British Empire's possession of raw materials that it is hardly likely she will long remain poor; and for that matter it is not in a military sense that Britain is poor today, since she still can wield that mightiest of weapons, the dominating navy of the world....

From India, from Australia, from South Africa, and from Canada, her sons returned laden with the profits of newly developed regions. Proprietorship of those regions was thus bringing back its gains....

After a bloody war in which Germany has barely escaped the jaws of Russia, Great Britain emerges in practical control of Persia, and in absolute control of rich Mesopotamia, once the granary of the world, easily made again its granary, and fabulously rich in oil....

The tentacles of England extend everywhere, from Halifax to Jamaica, from London to Cape Town, from Gibraltar to Siam; and those tentacles have a sensitive power of suction.²

¹ *Ibid.*, pp. 27-28.

² Frederick Bausman, *Facing Europe* (Century Co.), Chaps. ii, iii.

On two occasions during 1932—during the debts discussion and during the St. Lawrence Water Way negotiations—the cession of Canada or parts thereof by Great Britain to the United States was seriously discussed by public men. An Associated Press dispatch in the American papers of November 27th reads:

Senator Hatfield, Republican, said in a statement last night that "the American people might welcome the cession of valuable lands possessed in this hemisphere by certain European governments in case they are unable to pay their debts in cash.

Before the Oregon boundary was fixed in June, 1846, we claimed lands in Canada as far north as the fifty-fourth parallel of latitude and as far east as Hudson Bay.

If Britain really finds herself unable to pay the £4,300,000,000 she owes us, Canada might consent to transfer back to us this formerly disputed area."

Senator Hatfield said France possesses islands in the Caribbean

If this sort of thing is possible in 1932 or 1918, the reader will realize something of the need for such explanations as appear in *How Colonies Are Owned*, a book which first appeared twenty-five years ago.

More cautiously and more wisely Mr. Ludwell Denny in his book *America Conquers Britain*, under the chapter headed "Two Empires," writes thus:

A state of economic war exists between America and Britain now. The question is whether this economic war, and its resultant political conflict, will lead to armed war. Capitalists and officials, and the public opinion which controls or fails to control policies, can prevent a war of guns. They cannot stop the economic war. They can only mitigate its dangers.

For this economic war is not caused by popular misunderstandings, not by capitalist machinations, nor by imperialistic governmental policies. They intensify but do not create the conflict. Rather are they created by it. The conflict is the natural and inevitable result of economic conditions obtaining in two countries and in the world.

Finally these views are accepted in *toto* by the Marxians. Trotsky, among other Communist writers, supports completely Judge Bausman's view and has asserted on many occasions that war between Britain and America as the result of commercial rivalry is absolutely inevitable.

Moreover, the view that business, commerce and industry can be made to profit by victorious war under a Capitalist system is not confined to Marxians. It is in the organ of American Liberalism, *The New Republic*¹ that one reads:

which "possibly might be accepted by our people in lieu of part of the £3,864,000,000 that France owes us."

¹ Incidentally this appeared in America just after the Presidential election of 1932 which had been marked by this situation: The Bankers and leaders of big business standing almost to a man for cancellation or scaling down of debts which threaten to become a cause of grave international bitterness; standing also for far-reaching international agreement especially in respect of financial matters. That on the one side. On the other "the common masses of the people" clamoring insistently that the foreigner be made to pay, that all proposals for friendly discussion or arrangement be rejected out of hand. ("Pay up and shut up.") The general view indeed was that the bankers want agreement with the foreigner for interested reasons. But no one denies that they want agreement and that the popular feeling against it is so intense, so overwhelming that no politician dare advocate it. This

But whatever its outcome—short of another world war—the Manchurian incident is most useful as puncturing the pretension that the League powers want peace, or are willing to make any sacrifices of their own interests to maintain it. Peace and international capitalistic imperialism are incompatible. As long as Britain, France and Italy are struggling, among themselves and with other powers, for control of foreign markets, for monopolies of foreign raw materials, for colonies and dominions, they cannot come into court with clean hands as judges of Japanese imperialism—and they not only can't, but don't intend to. There will always be war or the threat of war as long as the relation between the powers is a hostility of capitalists rather than the friendship of the common masses of the people. A vast amount of time and trouble would be saved if the world could be brought to the recognition of that fact.

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THESE books were all written some years after the war, and in full knowledge of the fact that Britain's complete military victory over her greatest pre-war commercial rival, Germany, has *not* enabled her to take that rival's trade; has *not* made it possible to use victory for the purpose of extending British trade, to prevent disastrous decline, or to improve Britain's economic position; that victory coincides with the most profound economic crisis the victor has ever known; that victory has not enriched Britain but bankrupted her—all this has no faintest effect apparently in changing the conception of military power as an instrument which can still be used to transfer wealth from one group to another, to "capture" trade, to insure favorable economic conditions, means of economic expansion, for the nations possessing it.

The conception of national power as the means of achieving vital economic ends, the conception which led nearly the whole British press to support Japan and acquiesce in her action, which leads serious writers to talk of the "inevitable" war between Britain and America for trade—these conceptions are popular conceptions.

If the case, upon which they are based, is only answered by

aspect is touched on elsewhere. Moreover the article appears in the midst of an intense *capitalist agitation* (from the sugar and cotton oil interests) for the independence of the Philippines for *disannexation*; for *keeping out* the products of the Philippines.

vague moralizing, the plain man will subscribe to the moralizing ("Of course, I'm in favor of Peace; no more war for me"), but, until he sees clearly in plain and realistic terms what is wrong with that case, he will nevertheless want his government to keep its powder dry and see that it is not diddled by Dagoes and other crafty foreigners.

A new hypothesis of the best means of economic and political security must be substituted for certain of the old, embodied in nationalist tradition, slogans, political philosophies, which have guided the mass of men in this sphere of conduct heretofore.

It is quite erroneous in this connection to say that "the plain man" does not decide things on abstract principles, or determine his attitude towards big questions of war and peace, foreign policy, international relations, democracy, socialism, by any general philosophy or theory, but by empirical consideration of each concrete case. Nothing could be more untrue.

When the Frenchman tells you with his air of wisdom "that the Boche is at heart a savage," or the Irishman that the Saxon has always been a robber, or the Prussian descants upon the qualities of the Jewish race—in none of these or a thousand similar cases is the very emphatic pronouncement arrived at by considering the "facts"; and opinion will not be altered by familiarizing the victims of these obsessions with "all the facts of the case"—historical, ethnical, religious. Sectaries did not cease burning each other because of detailed study on the part of the mass of men of all the minutiae of doctrine which divided them. We acquired a relative toleration by the adoption of an entirely new attitude towards the moral quality alike of faith and of doubt—none the less important, because it was largely unconscious. Something similar will modify our nationalist animosities.

It is not humanly possible for the butcher and the baker and the candlestick maker to give detailed consideration to each case of international conflict, Sino-Japanese or other, as it arises. Broad theories of life, a general attitude, abstract philosophy expressed in slogans and sweeping generalizations ("no entangling alliances"; "My country, right or wrong"; "You can never change human nature"; "There always have been, always will be, wars"; "There will always be rich and poor")

are precisely the means by which the average voter does, and must, from lack of time and attention, normally decide his attitude in such public matters. It is true that the principles to which he gives loudest expression are often not at all the principles which he insists upon applying, not because he is hypocritical, but because he simply does not see the contradiction involved. He is all for justice and fair play between nations, but in the next breath insists that his nation must be its own judge of its rights when any dispute about them arises with another nation. He honestly means to be fair but simply does not see that he is claiming for himself a right which he denies the other nation; is asking that other to occupy a position he would refuse for his own. The principle he is really guided by here is the principle of anarchy, which is his real philosophy in international politics, the belief that the problem which confronts us is not that of organizing an international society but of winning a fight, the fight for national survival. And the fact that he plumps for that philosophy is a perfectly natural, reasonable, and justifiable deduction from premises and assumptions implicit in many of the terms commonly used in the discussion of international politics, from the ideas thereby suggested.

In an early edition of this book I wrote:

If it be true that since the world is of limited space, we must fight one another for it, that if our children are to be fed others must starve, then agreement between peoples will be for ever impossible. Nations will certainly not commit suicide for the sake of peace. If this is really the relationship of two great nations, they are, of course, in the position of two cannibals, one of whom says to the other: "Either I have got to eat you, or you have got to eat me. Let's come to a friendly agreement about it." They won't come to a friendly agreement about it. They will furbish up their arms, keep those arms and ultimately fight.

But note a further consideration, outlined in this same passage, which indicates the relation of the arguments here presented to the Disarmament problem as a whole:

My point is that not only would they fight if it really were true that the one had to kill and eat the other, but they would fight as long as they believed it to be true. It might be that there was ample food within their reach—out of their reach, say, so long

as each acted alone, but within their reach if one would stand on the shoulders of another ("this is an allegory") and so get the fat cocoanuts on the higher branches. But they would, nevertheless, be cannibals so long as each believed that the flesh of the other was the only source of food. It would be that mistake, not the necessary fact, which would provoke them to fight.

And because the economic case—the fallacious economic case—is buttressed by a strong psychological urge to rivalry, it becomes the more important to establish both the economic fallacy involved and the superiority of the coöperative method. Where the case against fighting is not really comprehended, but merely acquiesced in because it sounds moral and high-minded, the whole case for peace and coöperation will be surrendered in a flash when it is put to the test of international difficulty as it is surrendered by critics quoted above, as it was surrendered by the British press, public and politicians in its attitude to Japanese aggression in 1931.

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PART III of this volume is devoted to the discussion of certain specific criticisms of its main thesis (including the nonsense that that thesis was to the effect that "war had now become impossible"). But one or two common criticisms may appropriately be dealt with here before the reader tackles the argument itself, broadly as presented twenty-five years ago.

One constant criticism is that that argument suffers from over-simplification; does not sufficiently consider qualifications.

The accusation has been made by critics who habitually treat a nation, like Germany, as a guilty person, an evil-minded "she." Much of this book is a protest against such over-simplification of the wrong kind. But it stands for a method of simplification which might be illustrated by a parable:

Standing with a young friend once, watching the gamblers at Monte Carlo, we got into conversation with another watcher. The conversation led to the statement that this stranger had worked out a system by which, with a capital of a few thousand francs, one could break the bank and win millions. My young friend was rather taken with the idea and looked to me to reply to certain arithmetical arguments used by the inven-

tor. Now I knew that if once I tried to answer him on that ground I should be lost. I am no mathematician, and the system dealt in "weighted averages," "the law of random frequency," and other things about which the mathematicians have endlessly quarreled. But there was one fact which established the value of the system. The inventor was desirous of selling it for a hundred francs. I suggested to my young friend that, in view of that fact, we were not interested in the inventor's figures. That reply, too, was perhaps over-simplified. There might be a great deal that could be said for his system. But we were confronted not by the problem of nicely balancing the arguments in a difficult mathematical theory, but by the problem of deciding there and then upon doing one thing or the other: whether to risk money upon the working of a gambling system, or to refrain from so doing.

I suggest that that is the situation which confronts civilization in the matter of its choice between the risks of war and the risks of creating those international institutions of government which alone can prevent it. A decision has to be taken. It has to be taken, not by the experts, the trained economists, the academic specialists, but by the voting millions of over-driven professional men, coalheavers, dentists, tea-shop waitresses, parsons, charwomen, artists, country squires, chorus girls . . . who make and unmake governments, who do not hesitate, as we have seen, again and again to over-ride the specialist or expert and impose their opinion upon him. With them rests the final verdict. At best they can give to it only a "spare time attention," since most of their energies are absorbed in the daily tasks and anxieties of livelihood and home. Competing for that spare time attention are a number of suggestions coming from press and politician designed first of all to please, not to correct any existing error or misapprehension, a correction which, when attempted, is almost always, for the subject of the effort, a distinctly displeasing business. None of us likes to be told that his ideas are wrong, the things he usually does utterly foolish, and the newspaper which should habitually do this would lose circulation, and the politician who did it would lose votes. What both do normally is to win approval by confirming existing error.

This book challenges widely spread belief, even more widely spread twenty-five years ago than today. That means basing the appeal upon argument and reason. If you desire to perpetuate existing belief, you can play upon habit, prejudgment, prejudice; but not if you wish to change it. Given the extent of attention available, the most that is humanly possible, if practical results are to be obtained at all, is to select, from a mass of possible considerations, those that are in the last analysis the determining ones as well as true. Whatever might be said about the incompleteness, the "over-simplification," the lack of due qualification in the statement which I made to my young friend that "men who work gambling systems lose their money," it was the relevant consideration for the decision at that moment to be made; and the obvious poverty of the owner a sufficiently relevant supporting fact. Yet men have broken the bank, and they may have worked a system.

Let me apply the parable.

A very learned critic of the original *The Great Illusion* puts in the forefront of his charges, the statement that it ignored that the good influence of war in the past did not sufficiently state our moral debt to war, and concluded that such omissions placed the author outside the ranks of "savants" on the subject. Assume that the critic is right in saying that much more space might have been given to tracing the moral benefits of past wars. But does he imply that those benefits ought to weigh in the question: Shall we choose war or peace? Yet that was the question under discussion. Does he imply that, though on other grounds he might choose peace, he prefers war because it might be morally good for us? He does not. He says he is in any case in favor of peace. In that case, where it is only possible to present in one book a tiny fraction of all the considerations, those which would not in any case influence his decision seemed pretty good ones to omit.

Another case. Part of the argument of this book is that property cannot in the case of conquest be seized and carried off, as the Vikings came and carried off goods in the good old days—partly because, if modern British Vikings began bringing corn and cattle and other goods from overseas we should clamor for an anti-dumping tariff, partly because seizure

of real property may involve the solvency of banks or other credit concerns in which our own finance would be involved. The reader may see the argument here worked out. It is a sound argument; overwhelmingly verified by experience, and is part of the balance sheet which we have to consider in deciding the question: Will Britain benefit more from a world of predatory wars or from a world of organized international coöperation?

Nevertheless, in a post-war book I have pointed out that Britain herself, after the Great War, seized private property and dislodged existing private owners. The case of the settlers in German East Africa particularly was cited. One critic takes this as an "admission" that the whole theory of the book was wrong. As a matter of fact it does not affect the theory, for in the book I stated that confiscation could be carried out, but at a cost exceeding the value of the property taken; and that those costs must include many things which earlier pirates did not have to take into account. One thinks of the balance sheet: on the one side a burden of debt that will curse our people for generations, the passing of much of our foreign trade; the collapse of our monetary system, costs beyond all measuring, chaos beyond conception. That on the one side. On the other we get the plows and bungalows and coffee plantations of the settlers in German East Africa, and the result of the confiscation of such German private property here as we could lay our hands on. Do they amount to one hundredth of even the calculable costs of the war, to say nothing of the incalculable? Is it seriously suggested that occasional loot of this kind (which incidentally the original argument admitted could be obtained) comes within a thousand miles of making a favorable balance sheet for war?

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WERE every case of exception and every possible contingency of that character considered in detail, the resulting book could perform no service for the ordinary man. To put him on the track of new light and new thought, any explanation must indicate broad principles understandingly, without too much qualification. If as an engineer you were dealing with a lay

body like a town council that insisted upon planning its water works in defiance of the principles of hydrostatics, you would probably use rather freely such statements as that "water won't run uphill." Yet that would be a gross over-simplification, for water runs uphill every time you suck lemonade through a straw. But if they cannot grasp the broad principle without complication, they certainly will not seize it with all the complications science may add.

Thomas Huxley, speaking once to his students, quoted Bacon's aphorism that "truth comes out of error more easily than out of confusion," and added that if you had a clear theory of how things happened and acted on that theory, you would, if it were wrong at some point, soon knock your head against a fact and that would set you right about it. But if you waited until every hypothesis upon which you acted could never be criticized at any point, waited for its perfect adjustment to innumerable facts often changing, then you would be condemned to utter paralysis, could come out nowhere.

If an error, or the proposition which embodies one, is clear, it is possible to correct it. If it is muddled, everlastingly qualified, correction becomes correspondingly more uncertain, more difficult.

Yet there is a type of mind which seems to resent clarity; resents, it would seem, any definite conclusion as between two courses. In a world in which we want above all to bring home to the average man the reasons which condemn the armed conflict of nations, what is to be made of criticisms of this kind—the type of very many—in which a writer in a University publication¹ discusses a recent book of the present author's as follows:

Clear and cogent now, clear and cogent then.... Yet dictators and national governments, tariffs and cries of self-determination are everywhere. Against our wills, we are threatened with ruin simply because in our ignorance of social technique we have conjured up the phantom of an independent, sovereign nationality in an inter-related world where it is impossible. As clear as ever twice two makes four, shines the fact that economic separatism,

¹ University of Chicago Press, *The International Journal of Ethics*, July, 1932.

and all it entails, is false, futile, and heading straight for war. Understanding, work, coöperation, and adjustment alone are the basis of human society, the rest is bound to break down. . . .

It is all so cogent, so beautifully cogent that I fear Sir Norman's many admirers will again be sadly disillusioned. For, what lesson shall we read to the statesmen now assembling at Geneva or what chapter of this book have read out to the war ministers of China and Japan? What chapter in India and in Ireland? . . . You see, something has happened to the validity of the argument, and something not quite the same as that pathetic weakness which cannot draw the practical, moral conclusion from the intellectual premises in Aristotle. . . . Again, assure the Japanese, never so fervently, that the "possession" of Canada is without value for balancing the British budget, and of what force will the argument be as regards the annexation of Manchuria when Japan's population is rising and there is no land available for colonies? Perhaps it is cheaper to have no colonies. It is also cheaper to ride in a public conveyance than to own a motor-car. M. Poincaré perhaps collected no wealth from Germany, and the Treaty of Versailles may have set the world against France, but, unfortunately for our sad humanity, the realization of those dreams of revenge since 1871 might have outweighed in French hearts the whole loss.

So be it. Is the implication that all demonstration of the evil results which flow from a given sentiment can never modify that sentiment? That patriotism, the kind of sentiment which nations display towards each other, must always be of the most destructive kind, as a sixteenth century fanatic might have argued (as indeed some did argue) that the sentiment which one religious group felt towards another must always result in inquisitions, tortures, burnings, and St. Bartholomew massacres? Is it implied that the attitude which the normal man adopts towards what he calls patriotism will be exactly the same when he believes that sentiment or creed to be the condition of strength, security, wealth and happiness for his people as it will be after he has come to doubt it seriously, or come to believe that it is the road to weakness, insecurity, misery for his people, poverty and perhaps national destruction? If so, one would like to know by what process man has altered his attitude to such things as human sacrifice, slavery, polygamy, witchcraft, the torture of witnesses, the torture of those who did not share his religious convictions. In many of these cases

he was certain that in following the old way he was doing the will of God—as the devotees of the new religion of nationalism believe they, too, do the will of God. Did it serve *no* purpose in those old days to bring home the fact that human sacrifice and the torture of the heretic might *not* be the will of God?

Note what follows at the close of the criticism, the early part of which has just been quoted:

One point, however, has been gained. If you are convinced that the British, who have been in India "longer than the Americans have been in California and Texas," cannot fulfill their responsibilities to India or the world at large by simply clearing out, and if you agree that in the case of the railway concessions, the immoderate and acquisitive nationalism of China might well "be a menace to the economic life of Russia," then you have got beyond the pestilential nationalism of the present day which "solves nothing" and have come to the one philosophical question which the book raises for us—what is force for? One thing it is not for—to be left in the hands of anarchistic, sovereign nations who recognize neither right nor law in their dealings with others save as it appears in their own eyes. If Sir Norman can convince men of this, and he tries valiantly, he will have played a man's part in that "temperamental readjustment" which is necessary if our civilization is to endure.¹

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¹ It is characteristic that another critic (Mr. R. C. K. Ensor, *Yorkshire Post*, January 4th, 1932) who brings the same charge of oversimplification, thinks that I am quite right in my psychology but wrong in my economics.

"To contend that the victor in a war can make no profit out of it may appeal to Englishmen, who confront their own country's failure to profit from victory since 1918. But is that a normal case? Can any one doubt that if the Germans had won the War in 1914 (as they calculated to do and came within an ace of doing), they would have made enormous economic as well as political gains, and greatly raised (in part at our expense) the standard of living of their whole people? Or that the United States (the only real victor, since France and Britain both suffered everything short of decisive defeat before the tide turned) profited enormously even as it was? Even France unquestionably made large economic gains; and if Britain did not, one must remember that she had never really thought out how to . . . Does Japan stand to obtain no economic advantage through her army's present action in Manchuria?"

The critic is kind enough to add:

"Sir Norman possesses, and has always possessed, a very notable gift of exposition. What he expounds are other people's ideas, and one

Looking back over twenty-five years of criticism, and asking the question as honestly as a man may, "What is most valid in it all?" I feel that the most valid remains to be made. The greatest amount of comment, as is usual perhaps in the case of books which for one reason or another become much discussed, has been from those who never troubled to read the book or really to know what it is about. Perhaps the most frequent criticism centers upon such lunacy as that it tried to show that war could not occur. The general thesis has, of course, been about equally attacked on the ground that it predicated a romantic belief in the perfectability of human nature, was, that is, the work of a dreamer and idealist; and on the ground that it presupposed men to be actuated by nothing but a sordid consideration for their pockets. All that is foolish enough. And yet the sum of it all, the fact that so much mutually contradictory criticism of that kind has been written about it, indicates where the defects of the book really lie.

The truth is that it has been most praised for the very qualities in which it was, at very important points, deficient. Far from being too clear cut, it was not clear enough on the final and fundamental issues; far from being too "popular" it was not popular enough on the points where the populace is most apt to go wrong; far from being deficient in the support given to its proposition by facts, "learning," erudition, the author would have done better to have devoted more attention to clarifying certain points of fundamental philosophy, the data of which are to be found, not in the blue books or histories, or in statistics, but in the facts of our daily life and behavior.

The general economic thesis can hardly be disputed. Its verification can be found in this morning's paper—any morning's paper this last fifteen years. There is not much wrong there; and at certain points, as in the suggestions that "transfer" difficulties, would in fact prevent indemnities being paid, the author guessed better than his academic critics.

reason why he 'puts them over' so effectively is that he often does not seem to understand their subtleties of light and shade."

If the ideas here expounded are "other people's ideas," the trouble seems to be that they are not the ideas of enough other people.

But on three fundamental points the book was deficient—from lack of clarity.

First as to the economic motive. The point which is made in the following pages that the economic motive need not be a selfish one, and that you cannot solve the moral problem, problems of right, which arise between nations without tackling the economic case, is sound as far as it goes. But it does not go far enough. The book should not merely show what it does, that you cannot understand the ethics of international relationship unless you understand the economics of that relationship; that a citizen, acting as trustee of his people when he votes, cannot do his duty if he disregards the welfare of his people; it should have made clearer not merely that Europe would be a more prosperous place if the economic truths of international life were more fully grasped, but that it would also be a more moral one; that to the degree to which economic motives become more conscious in the conduct of nations, as distinct from that of individuals, those motives would come to be less actuated by jealousy, less mean, less full of hate, less subject to lying, dishonesty, falsehood, sham and hypocrisy; more kindly, more generous, more open to spiritual values. It should have put greater emphasis on the fact that because nationalist motives were so often non-economic that did not make them better; it usually made them worse. It is less "material" to desire the injury of other people more than you desire your own advantage (and that is an extremely common motive in international relations) but it is not more moral. The book should, in other words, have indicted more clearly the defective *moral* foundations of anarchic nationalism as we know it.

There were many good reasons, of course, why the author did not attempt it. A book which embodied alike an unusual economic challenge and an unusual moral challenge, would have been altogether too big a meal for the ordinary reader. Further, the author had already tackled this moral case in an earlier book,¹ which though in some respects a better book than *The Great Illusion*, died within a few months and did not sell as many dozens as "The Great Illusion" sold tens of

¹ *Patriotism Under Three Flags: A Plea for Rationalism in Politics* (London, 1903).

thousands. Nevertheless, the first defect of this book lies there: that it does not touch bottom in its statement of the case for economic internationalism as against economic nationalism.

The second defect of clarity in fundamental philosophy is probably that which gave rise to the ridiculous "impossibility of war" myth. Fundamental to the book's main theme is the proposition that war is not inevitable; that it is not, like the rain or earthquake, something outside human wills, but the result of definite human policies of ideas—wrong ideas—upon which men act; that it is, therefore, avoidable. But if, when you are addressing a reader innately fatalistic, as in this matter the ordinary man is, you emphasize the fact that war is not inevitable, he will, unless meticulous care is taken, slip into the conclusion that you are arguing that war will not take place. There was here a defect of clarity and a defective distribution of emphasis.

Again, it is easy to see how the defect got by. To have given the very first emphasis to the fact that war was certainly coming unless we changed our ideas and our policy, would have had with the ordinary reader of 1908 just one effect—to make him shout for more Dreadnoughts. The author saw and expressed this difficulty (see Chap. XIII, Part II). But in clarifying the fact of avoidability he may have allowed an impression of improbability or "impossibility" to grow up in some reader's mind, which all his explicit statements that the book was *not* an argument for the unlikelihood of war, did little to dispel. Unless, which is quite possible, the myth, like Topsy, "just grewed" and had no parents so far as the book is concerned at all.

The third, and perhaps chief defect, may be noted. What is the conclusion in policy to be drawn from its main proposition that the modern conqueror cannot "take" any spoils? The answer was left somewhat too open. The author repudiated in most explicit terms the conclusion of non-resistance as the right policy, but left too open the question of what *was* the right conclusion. The implication, indeed the statement at one point was, that when nations realized the futility of conquest they would just drop the effort and you would get throughout the world an international relationship some-

what similar to that which marks the members of the British commonwealth: independence of each, virtual anarchy, but a peaceful anarchy. That was certainly a possible implication; but it is one which the events have not justified. Even as between the nations of the British commonwealth it is being abandoned (Ottawa being merely the first step), and the principle of consciously organized coöperation will have to be carried very much further. Here indeed is at last a point where the author confesses to perhaps some change of opinion. In 1913 he would have been deeply disturbed at the notion of definite commitments of this country to coöperation with others for mutual defense. The thing would have seemed to him far too dangerous. Today, after thirty years of debate (it is rather over forty years indeed since I wrote my first article on international affairs), I am convinced that, speaking broadly, the more definite and public each country's commitment to undertakings (not necessarily military or naval), looking to coöperative defense, the remoter will the chances of war become. The practical political conclusion to be drawn from the truths here stated is not to insist that the world make suddenly one huge jump from armed anarchy to a world without arms or force at all, but that as a first stage, as a stepping stone or bridge, the force be transferred from the litigants to the law, be organized as the instrument of the community; and that that organization be based upon clear political and diplomatic obligation.

In 1913 I should have resisted this conclusion, not on the ground of principle, of its being a wrong social method; but on the ground of its being "far fetched," too remote from familiar conceptions to have the least chance of acceptance by the nations; likely to be prostituted to the purposes of "diplomacy" as then conceived (all of which, incidentally, was at that time true). I believed then that the world was not ready for the conscious international organization of power. I believe now that, on the whole, that is the road of safety and of hope. "If this be recantation—make the most of it."

The reply, however, to the criticism is obvious. In the generation of 1908-14, to have complicated the statement of an unfamiliar case of international economics with the case for

some form of European federation would have meant presenting the reader with a perfectly indigestible meal. Nevertheless, there was an omission here which left the way open for a number of wrong conclusions.

Not much effort has been made in the pages which follow to remedy the defects above outlined—for the reasons already hinted. To cover the case as completely as that would not be possible, “things being what they are”—the things in this case being public understanding of fundamental international issues. I have decided after some reflection to adhere in Part II to the scope and form of statement of the original *The Great Illusion*. Much of it is merely a reprint. Not entirely so, however.

The synopsis, the outline of main propositions, and the chapter on the Indemnity are word for word as they appeared in pre-war editions. The remainder of Part II consists of matter taken mainly from 1911-13 editions of “The Great Illusion,” but abbreviated and rearranged. It makes a more useful book for the interpretation of a 1933 world to omit certain matter which belongs purely to the past and replace it by the matter embodied in Parts I and III. If the reader thinks that this affords an undue opportunity for “cooking accounts,” in so far as verification by event is concerned, it is always open to him to get a pre-war edition of “The Great Illusion” from his library and see for himself just how this version differs from previous ones.

In any case, “believe it or not,” I am less concerned after thirty years in the arena of debate to score a point than to clarify the problems which confront us. It is really a more interesting thing to do that than to establish personal justifications in which—I have a very obstinate suspicion—the public would not in fact be particularly interested.

In rearranging and abbreviating the matter of the original *The Great Illusion* for Part II of this book I have tried to keep the original form, for this reason: That form of statement did, for some reason which I still cannot quite understand, “go over” and reach a very large public, notwithstanding that a still larger one never saw it, misunderstood and misrepresented it. Why that particular form should have been relatively successful it is difficult to say. (There is usually an incalculable

and imponderable element in the public's interest in a given subject or its method of presentation.) *The Great Illusion* was in many respects a bad book—a true book, but a bad one in the sense of workmanship. I was horrified, taking it up and judging it after twenty-five years, to discover how bad. Its badness can be explained: It began as a pamphlet written by a busy man, managing at that time a considerable continental business. Later it had to be added to, criticisms had to be replied to. The result was a hodge-podge which positively appalled its author when he weighed it up a quarter of a century later. But “it got across.” Presumably, therefore, there must have been something in its approach and form which made the case more comprehensible to the layman than other methods of approach had made it. So that approach and form has, on the whole, been preserved.

PART TWO

THE GREAT ILLUSION

1908 – 1914

SYNOPSIS ¹

*

WHAT are the fundamental motives that explain the present rivalry of armaments in Europe, notably the Anglo-German? Each nation pleads the need for defense; but this implies that some one is likely to attack, has an interest in so doing. What are the motives which each State thus fears its neighbors may obey?

They are based on the universal assumption that a nation, in order to find outlets for expanding population and increasing industry, or simply to insure the best conditions possible for its people, is necessarily pushed to territorial expansion and the exercise of political force against others (German naval competition is assumed to be the expression of the growing need of an expanding population, a need which will find its satisfaction in the conquest of British Colonies or trade, unless these are defended); it is assumed, therefore, that a nation's relative prosperity is broadly determined by its political power; that nations being competing units, advantage, in the last resort, goes to the possessor of preponderant military force, the weaker going to the wall, as in the other forms of the struggle for life.

The author challenges this whole doctrine. He attempts to show that it belongs to a stage of development out of which we have passed; that the commerce and industry of a people no longer depend upon the expansion of its po-

¹ From 1912 Edition. For reasons elsewhere explained this Synopsis is word for word as it originally appeared.

litical frontiers; that a nation's political and economic frontiers do not now necessarily coincide; that military power is socially and economically futile, and can have no relation to the prosperity of the people exercising it; that it is impossible for one nation to seize by force the wealth or trade of another—to enrich itself by subjugating, or imposing its will by force on another; that, in short, war, even when victorious, can no longer achieve those aims for which peoples strive.

He establishes this apparent paradox, in so far as the economic problem is concerned, by showing that wealth in the economically civilized world is founded upon credit and commercial contract (these being the outgrowth of an economic interdependence due to the increasing division of labor and greatly developed communication). If credit and commercial contract are tampered with in an attempt at confiscation, the credit-dependent wealth is undermined, and its collapse involves that of the conqueror; so that if conquest is not to be self-injurious it must respect the enemy's property, in which case it becomes economically futile. Thus the wealth of conquered territory remains in the hands of the population of such territory. When Germany annexed Alsatia, no individual German secured Alsatian property as the spoils of war. Conquest in the modern world is a process of multiplying by x , and then obtaining the original figure by dividing by x . For a modern nation to add to its territory no more adds to the wealth of the people of such nation than it would add to the wealth of Londoners if the City of London were to annex the county of Hertford.

The author also shows that international finance has become so interdependent and so interwoven with trade and industry that the intangibility of an enemy's property extends to his trade. It results that political and military power can in reality do nothing for trade; the individual merchants and manufacturers of small nations, exercising

no such power, compete successfully with those of the great. Swiss and Belgian merchants drive English from the British Colonial market; Norway has, relatively to population, a greater mercantile marine than Great Britain; the public credit (as a rough-and-ready indication, among others, of security and wealth) of small States possessing no political power often stands higher than that of the Great Powers of Europe, Belgian Three per Cents. standing at 96, and German at 82; Norwegian Three and a Half per Cents. at 102, and Russian Three and a Half per Cents. at 81.

The forces which have brought about the economic futility of military power have also rendered it futile as a means of enforcing a nation's moral ideas or imposing social institutions upon a conquered people. Germany could not turn Canada or Australia into German colonies—i.e., stamp out their language, law, literature, traditions, etc.—by “capturing” them. The necessary security in their material possessions enjoyed by the inhabitants of such conquered provinces, quick intercommunication by a cheap press, widely-read literature, enable even small communities to become articulate and effectively defend their special social or moral possessions, even when military conquest has been complete. The fight for ideals can no longer take the form of fight between nations, because the lines of division on moral questions are within the nations themselves and intersect the political frontiers. There is no modern State which is completely Catholic or Protestant, or liberal or autocratic, or aristocratic or democratic, or socialist or individualist; the moral and spiritual struggles of the modern world go on between citizens of the same State in unconscious intellectual coöperation with corresponding groups in other States, not between the public powers of rival States.

This classification by strata involves necessarily a re-direction of human pugnacity, based rather on the rivalry of classes and interests than on State divisions. War has

no longer the justification that it makes for the survival of the fittest: it involves the survival of the less fit. The idea that the struggle between nations is a part of the evolutionary law of man's advance involves a misreading of the biological analogy.

The warlike nations do not inherit the earth; they represent the decaying human element. The diminishing rôle of physical force in all spheres of human activity carries with it profound psychological modifications.

These tendencies, mainly the outcome of purely modern conditions (e.g., rapidity of communication), have transformed the nature of the modern international problem; yet our ideas are still dominated by the principles and axioms, images and terminology of bygone days.

The author urges that these little-recognized facts may be utilized for the solution of the armament difficulty on at present untried lines—by such modification of opinion in Europe that much of the present motive to aggression will cease to be operative, and, by thus diminishing the risk of attack, diminishing to the same extent the need for defense. He shows how such a political reformation is within the scope of practical politics, and the methods which should be employed to bring it about.

CHAPTER I

ECONOMICS AND THE MORAL CASE FOR WAR

*

THOUGH the end of the present Anglo-German rivalry must be collision, the rivalry will go on so long as each side feels that fundamentally it is a struggle for life, for national survival. If it is true that an increasing population must expand its national boundaries or starve, or that national welfare depends on power, then there is a moral case for conquest which the ordinary pacifist appeal does not meet. Until this case is met, pacifist advocacy will fail and deserves to fail. Upon the solution to the economic depends the solution of the moral problem.

IT IS generally admitted that the present rivalry in armaments in Europe—notably such as that now in progress between Great Britain and Germany—cannot go on in its present form indefinitely. The net result of each side meeting the efforts of the other with similar efforts is that, at the end of a given period, the relative position of both is what it was originally; and the enormous sacrifices of both have gone for nothing. If as between Great Britain and Germany it is claimed that Great Britain is in a position to maintain the lead because she has the money, Germany can retort that she is in a position to maintain the lead because she has the population, which must, in the case of a highly organized European nation, in the end mean money. Meanwhile, neither side can yield to the other, as the one so doing would, it is felt, be placed at the mercy of the other, a situation which neither will accept.

There are two current solutions which are offered as a means of egress from this *impasse*. There is that of the smaller party, regarded in both countries for the most part as dreamers and doctrinaires, who hope to solve the problem by a resort to general disarmament, or, at least, a limitation of armament by agreement. And there is that of the larger, commonly deemed the more practical party, who are persuaded that the present state of rivalry and recurrent irritation is bound to culminate in an armed conflict, which, by definitely reducing one or other of the parties to a position of manifest inferiority, will settle the thing for at least some time, until after a longer or shorter period a state of relative equilibrium is established, and the whole process will be recommenced *da capo*.

This second solution is, on the whole, accepted as one of the laws of life: one of the hard facts of existence which men of ordinary courage take as all in the day's work. And in every country those favoring the other solution are looked upon either as people who fail to realize the facts of the world in which they live, or as people less concerned with the security of their country than with upholding a somewhat emasculate ideal; ready to weaken the defenses of their own country on no better assurance than that the prospective enemy will not be so wicked as to attack them.

To this the realist is apt to oppose the law of conflict. Most of what the nineteenth century has taught us of the evolution of life on the planet is pressed into the service of this struggle-for-life philosophy. We are reminded of the survival of the fittest, that the weakest go to the wall, and that all life, sentient and non-sentient, is but a life of battle. The sacrifice involved in armament is the price which nations pay for their safety and for their political power. The power of Great Britain has been the main condition of her past industrial success; her trade has been extensive and her merchants rich, because she has been able to make her political and military force felt, and to

exercise her influence among all the nations of the world. If she has dominated the commerce of the world, it is because her unconquered navy has dominated, and continues to dominate, all the avenues of commerce. This is the currently accepted argument.

The fact that Germany has of late come to the front as an industrial nation, making giant strides in general prosperity and well-being, is deemed also to be the result of her military successes and the increasing political power which she is coming to exercise in Continental Europe. These things, alike in Great Britain and in Germany, are accepted as the axioms of the problem, as the citations given in the next chapter sufficiently prove. I am not aware that a single authority of note, at least in the world of workaday politics, has ever challenged or disputed them. Even those who have occupied prominent positions in the propaganda of peace are at one with the veriest fire-eaters on this point. Mr. W. T. Stead is one of the leaders of the "Big Navy" party in England. Mr. Frederic Harrison, who all his life has been known as the philosopher protagonist of peace, declared recently that if Great Britain allowed Germany to get ahead of her in the race for armaments, "famine, social anarchy, incalculable chaos in the industrial and financial world, would be the inevitable result. Britain may live on . . . but before she began to live freely again she would have to lose half her population, which she could not feed, and all her overseas Empire, which she could not defend. . . . How idle are fine words about retrenchment, peace, and brotherhood, whilst we lie open to the risk of unutterable ruin, to a deadly fight for national existence, to war in its most destructive and cruel form." On the other side we have friendly critics of Great Britain, like Professor von Schulze-Gaevernitz, writing: "We want our (i.e., Germany's) navy in order to confine the commercial rivalry of England within innocuous limits, and to deter the sober sense of the English people from

the extremely threatening thought of attack upon us... The German navy is a condition of our bare existence and independence, like the daily bread on which we depend, not only for ourselves, but for our children."

Confronted by a situation of this sort, one is bound to feel that the ordinary argument of the pacifist entirely breaks down; and it breaks down for a very simple reason. He himself accepts the premise which has just been indicated—viz., that the victorious party in the struggle for military predominance gains some material advantage over the party which is conquered. The proposition even to the pacifist seems so self-evident that he makes no effort to combat it. He seems rather to say: "I am not concerned to know whether seizure by force—theft—is advantageous or not. It is wrong; I object to it and base my hopes upon the survival one day of better ideals."

Some pacifists indeed take the ground that there is a conflict between the natural law and the moral law, and that we must choose the moral even to our hurt. Thus Mr. Edward Grubb writes:

Self-preservation is not the final law for nations any more than for individuals... The progress of humanity may demand the extinction (in this world) of the individual, and it may demand also the example and the inspiration of a martyr nation. So long as the Divine providence has need of us, Christian faith requires that we shall trust for our safety to the unseen but real forces of right dealing, truthfulness, and love; but, should the will of God demand it, we must be prepared, as Jeremiah taught his nation long ago, to give up even our national life for furthering those great ends "to which the whole creation moves."

This may be "fanaticism," but, if so, it is the fanaticism of Christ and of the prophets, and we are willing to take our places along with them.¹

The foregoing is the keynote of much pacifist advocacy.

¹ *The True Way of Life* (Headley Brothers, London), p. 29. I am aware that many modern pacifists, even of the English school, to which these remarks mainly apply, are more objective in their advocacy than Mr. Grubb. But, in the eyes of the "average sensual man," pacifism is still deeply colored with this implication of self-sacrifice.

Count Tolstoy, for instance, expresses anger at the suggestion that any reaction against militarism on other than moral grounds can be efficacious.

The peace advocate pleads for "altruism" in international relationships, and in so doing admits that successful war may be to the interest, though the immoral interest, of the victorious party. That is why the "inhumanity" of war bulks so largely in his propaganda, and why he dwells so much upon its horrors and cruelties.

It thus results that the workaday world and those engaged in the rough and tumble of practical politics have come to look upon the peace ideal as a counsel of perfection which may one day be attained when human nature, as the common phrase is, has been improved out of existence, but not as long as human nature remains what it is. While it remains possible to seize a tangible advantage by a man's strong right arm, the advantage, it is felt, will be seized, and woe betide the man who cannot defend himself.

Nor is this philosophy of force either as brutal, or immoral, as its common statement would make it appear. We know that in the world as it exists today, in spheres other than those of international rivalry, the race is to the strong, and the weak get scant consideration. Industrialism and commercialism are as full of cruelties as war itself—cruelties, indeed, that are longer drawn out, more refined, if less apparent, and, it may be, appealing less to the ordinary imagination than those of war. With whatever reticence we may put the philosophy into words, we all feel that conflict of interests in this world is inevitable, and that what is an incident of our daily lives should not be shirked as a condition of those occasional titanic conflicts which mold history.

The virile man doubts whether he ought to be moved by the plea of the "inhumanity" of war. The masculine

mind accepts suffering, death itself, as a risk which we are all prepared to run even in the most unheroic forms of money-making. None of us refuses to use the railway train because of the occasional smash, to travel because of the occasional shipwreck. Indeed, peaceful industry demands in the long run a heavier toll even in life and blood than does war. It suffices to note the physique of the thousands—women as well as men—who pour through the factory gates of the north; the health of the children left at home, the kind of life that industry involves for millions, to say nothing of the casualty statistics in railroading, fishing, mining, and seamanship, to be persuaded of that fact. Even in the “conscious” brutality which we usually deem special to war, such peaceful industries as fishing and shipping reveal a dreadful plenty.¹ Our peaceful administration of the tropics not only takes its heavy toll in the health and lives of good men, but much of it involves a moral deterioration of human character as great—as does so much of our “peaceful” industry and trade.

Besides these peace sacrifices the “price of war” does not seem unduly high, and many may well feel that the trustees of a nation’s interests ought not to shrink from paying that price should the efficient protection of those interests demand it. If the ordinary man is prepared, as we know he is, to risk his life in a dozen dangerous trades and professions for no object higher than that of improving his

¹ The *Matin* newspaper recently made a series of revelations, in which it was shown that the master of a French cod-fishing vessel had, for some trivial insubordinations, nearly disemboweled his cabin-boy, put salt into the intestines, and then thrown the quivering body into the hold with the cod-fish. So injured were the crew to brutality that they did not effectively protest, and the incident was only brought to light months later by wine-shop chatter. The *Matin* quotes this as the sort of brutality that marks the Newfoundland cod-fishing industry in French ships. Again, the German Socialist papers have recently been dealing with what they term “The Casualties of the Industrial Battlefield,” showing that the losses from industrial accidents since 1871—the loss of life during peace, that is—have been enormously greater than the losses due to the Franco-Prussian War.

position or increasing his income, why should the statesman shrink from such sacrifices as the average war demands, if thereby the great interests which have been confided to him can be advanced? If it be true, as even the pacifist admits that it may be true, that the vital interests of a nation can be advanced by warfare; if, in other words, warfare can play some large part in the protection of the nation's heritage, the promotion of its welfare, then the rulers of a courageous people are justified in disregarding the suffering and the sacrifice that it may involve. And he will continue to receive the support of "the common man" so long as the latter feels that military predominance gives his nation the efficient protection of rights, its due share in the world's wealth and economic opportunity, enlarged commercial opportunities, wider markets, protection against the aggression of commercial rivals, all translatable into welfare and prosperity, not at all necessarily for himself personally, but for his people—those who should come first, by whom he feels he should stick as a matter of plain and simple loyalty. He faces the risk of war in the same spirit as that in which a sailor or a fisherman faces the risk of drowning, or a miner that of the choke-damp, or a doctor that of a fatal disease, because he would rather take the supreme risk than accept for himself and his dependents a lower situation, a narrower and meaner existence, with complete safety. He also asks whether the lower path is altogether free from risks. If he knows much of life, he knows that in so very many circumstances the bolder way is the safer way.

When the pacifist, in these circumstances, falls back upon the moral plea as opposed to economic considerations, he does not seem to realize that he has not met the militarists'—which is here the common man's—moral case, a case for war which is undoubtedly valid if one accepts the economic assumptions that are usually common alike to the pacifist and the militarist.

If it be true that successful war secures for a people enlarged economic opportunities, opportunities which may be necessary for life and welfare, it may be our only available means of preventing the starvation of our children, of making due provision for them. This is an economic task, but moral motives may well underlie it, and moral rights be involved. We can only meet that moral case by disproving the economic one. Yet so often does the pacifist regard it as sordid to discuss economic issues at all. The militarist says in effect:

All life is a struggle. The individual lives by ousting another. We did not decree it; we found it so; are born to that particular world; condemned to it by a law we did not make. We struggle, or by our failure so to do we commit suicide, and there can be no moral obligation to commit suicide. This is as true of nations as of individuals. I have to choose whether in a world of limited opportunity, in which some must go under, those who do so shall be my people, my children, those to whom I have responsibilities and owe loyalty, or whether I shall sacrifice those whom it is my plain duty to protect, in favor of alien peoples, the children of others to whom I have no specific obligations. Selfish? Please note that I propose if necessary to give my life to protect my people, so the question of selfishness hardly arises. But in a situation where one or the other must go under I have to make a choice: for which group shall I sacrifice myself? I say for mine. You say it is wrong to take by force? Then I must either resist the other when he does so or acquiesce in wrong.

Now you cannot answer that case merely by invoking righteousness, the higher claims of morals over economic interest, for the moral question itself arises out of the question of economic rights.

The economic fact is the test of the ethical claim: if it really be true that we must withhold sources of food from others because otherwise our own people would starve, there is ethical justification for such use of our power. But if such is *not* the fact, the whole moral issue is changed, and with it, to the degree to which it is mutually realized, the social outlook and attitude. Furthermore, as voters we are trustees, trustees of our nation, and as such it is our duty

to do the best we can for its prosperity. We have here, incidentally, a moral obligation to understand economic issues.

So much of pacifist advocacy has never done the militarist the elementary justice of assuming that, however mistaken, the soldier is sincere when he says that he fights for right as he sees it; that he has no other recourse than to fight or to acquiesce in wrong. To retort, in that circumstance, that all war is wrong is merely to beg the question: the rightness or wrongness is the very thing in dispute. And when the soldier who honestly believes that he is giving his life for a righteous cause is met by the pacifist appeal to "righteousness," the plea is apt to excite a not unnatural exasperation.

Not long since, an English Divine said that the root cause of all war was the selfishness and avarice of man. One thought of the spectacle which almost any war affords us, of tens of thousands of youngsters going to their deaths as to a feast, of the mothers who bid them good-by with smiling faces and breaking hearts; of the fathers who are so proud of them; of the millions who starve and skimp and suffer through the years without murmur. Selfishness? Avarice?

War does not arise because consciously wicked men take a course which they know to be wrong, but because good men on both sides pursue a course which they believe to be right, stand, as Lincoln stood when he made war, for the right as they see it. It is a case not of conscious and admitted wrong challenging unquestioned and admitted right; but of misunderstanding of right.

It is not a question of moral intent, as some pacifist advocacy would so persistently imply, but of intellectual error in the interpretation of Right, and the problem is to find at what point and in what manner the mistake arises. The investigation of that misunderstanding is a task rather of intellectual clarification than of moral exhorta-

tion; and it must examine economic situations, since questions of right and morals arise out of economic conflict, or assumed economic conflict.

This book is not therefore an attempt to set up the economic motive over against the moral; it is an attempt to analyze a moral situation which arises out of alleged economic needs; to examine the economic reasons commonly advanced as morally justifying war.

To criticize such examination as preferring "an appeal to narrow self-interest" to one based on righteousness and morals, involves one of those confusions of thought which frustrate and stultify so much peace advocacy, and perpetuate the misunderstandings which lie at the root of war.

This, of course, does not imply that the economic motive should dominate life, but rather that it will unless the economic problem is solved: a hungry people is a people thinking first and last of bread. To turn their minds to other things, they must be fed.

I would summarize the points I have tried to make so far thus:

1. Until economic difficulties are so far solved as to give the mass of the people the means of secure and tolerable physical existence, economic considerations and motives will tend to exclude all others. The way to give the spiritual a fair chance with ordinary men and women is not to be magnificently superior to their economic difficulties, but to find a solution for them. Until the economic dilemma is solved, no solution of moral difficulties will be adequate. If you want to get rid of the economic preoccupation, you must solve the worst of the economic problem.

2. In the same way the solution of the economic conflict between nations will not of itself suffice to establish peace; but no peace is possible until that conflict is solved. That makes it of sufficient importance.

3. The "economic" problem involved in international politics—the use of political power for economic ends—is also one of Right, including the most elemental of all rights, that to existence.

4. The answer which we give to that question of Right will depend upon our answer to the main query of this book: must a country of expanding population expand its territory or trade by means of military power, in order to live? Is the struggle for the political control of territory a struggle for bread?

To refuse to face this problem because "economics" are sordid, is to refuse to face the needs of human life, and the forces that shape it. Such an attitude, while professing moral elevation, involves a denial of the right of others to live. Its worst defect, perhaps, is that its heroics are fatal to intellectual rectitude, to truth. No society built upon such foundations can stand.

It is because this fact of the relationship of economics and morals has not been adequately faced that so much peace propaganda has failed; that the public opinion of the countries of Europe, far from restraining the tendency of Governments to increase armaments, is pushing them into still greater expenditure. Behind that impulse, and justifying it, are certain universally accepted assumptions, such as that national power means national wealth, national advantage; that expanding territory means increased opportunity for industry; that the strong nation can guarantee opportunities for its citizens that the weak nation cannot. The Englishman, for instance, believes that his wealth is largely the result of his political power, of his political domination, mainly of his sea power; that Germany with her expanding population must indeed feel "encircled in iron"; that she will fight for elbow-room; and that, if he does not defend himself, he will illustrate that universal law which makes of every stomach a graveyard. He has a

natural preference for being the diner rather than the dinner.

Since, by universal admission, the maintenance of the nation's power is the condition of its continued prosperity, he intends, so long as he is able, to maintain that power, and not to yield it, even in the name of altruism. He feels, further, that the altruism would defeat its aim, in that, if he did yield in the struggle for power, the result would only be to replace British power by that of some other nation, doing no better for civilization as a whole than Britain is prepared to do.

He is persuaded that he can no more yield in the competition of armament than, as a business man or as a manufacturer, he could yield in commercial competition to his rival; that he must fight out his salvation under conditions as they exist, as he finds them; conditions which he did not make, which he cannot alter.

Admitting his premises—and these premises are the universally accepted axioms of international politics the world over—who shall say that he is wrong?

CHAPTER II

THE ACCEPTED AXIOMS

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THE purpose of this book is to question the all but universally accepted axiom that a nation's military power can be used to promote its economic welfare, that its share of the world's wealth is dependent upon its power to enforce its claims thereto. Quotations which show that this assumption is indeed accepted by all and constitute the major motive in international politics.

BUT are the premises or axioms indicated at the close of the last chapter unchallengeable?

Is it true that the wealth, prosperity, and well-being of a nation depend upon its military power?

Can one civilized nation gain moral or material advantage by the military conquest of another?

Does conquered territory add to the wealth of the conquering nation? Is there, in the case of conquest, any transfer of property from one set of owners to another?

Is it possible for a nation to "own" the territory of another in the way that a person or corporation would "own" an estate?

Can wealth or trade be transferred as the result of conquest from vanquished to victor?

Could Germany "take" our trade and Colonies by military force?

Could she turn British Colonies into German ones, and

win an overseas empire by the sword, as Great Britain won hers in the past?

Does a modern nation need to expand its political boundaries in order to provide for increasing population?

If Great Britain could conquer Germany tomorrow, completely conquer her, reduce her nationality to so much dust, would the ordinary British subject be the better for it?

If Germany could conquer Great Britain, would the ordinary German subject be the better for it?

*

THE fact that all these questions have to be answered in the negative, and that a negative answer seems to outrage common sense, shows how much our political axioms are in need of revision.

The literature of the subject leaves no sort of doubt whatever that I have correctly stated the premises of the matter in the foregoing chapter. Those whose special competence is the science of politics or the philosophy of statecraft in the international field, from Machiavelli and Clausewitz to Mr. Roosevelt and the German Emperor, have left us in no doubt whatever on the point. The whole view has been admirably summarized by two notable writers—Admiral Mahan, on the Anglo-Saxon side, and Baron Karl von Stengel (second German delegate to the First Hague Conference) on the German. Admiral Mahan says:

The old predatory instinct that he should take who has the power survives...and moral force is not sufficient to determine issues unless supported by physical. Governments are corporations, and corporations have no souls; governments, moreover, are trustees, and as such must put first the lawful interests of their wards—their own people.... More and more Germany needs the assured importation of raw materials, and, where possible, control of regions productive of such materials. More and more she requires assured markets and security as to the importation of food, since less and less comparatively is produced within her own borders by her rapidly increasing population. This all means security at sea.... Yet the supremacy of Great Britain in European seas means

a perpetually latent control of German commerce.... The world has long been accustomed to the idea of a predominant naval power, coupling it with the name of Great Britain, and it has been noted that such power, when achieved, is commonly often associated with commercial and industrial predominance, the struggle for which is now in progress between Great Britain and Germany. Such predominance forces a nation to seek markets, and, where possible, to control them to its own advantage by preponderant force, the ultimate expression of which is possession.... From this flow two results: the attempt to possess and the organization of force by which to maintain possession already achieved.... This statement is simply a specific formulation of the general necessity stated; it is an inevitable link in the chain of logical sequences—industry, markets, control, navy bases...¹

Baron von Stengel (a statesman of Liberal views as well as being the German delegate to the first Hague Peace Conference) says in his book:—

Every great power must employ its efforts towards exercising the largest influence possible not only in European but in world politics, and this mainly because economic power depends in the last resort on political power, and because the largest participation possible in the trade of the world is a vital question for every nation.

In order to show that the above two quotations do not embody a special or unusual view but the all but universally accepted political philosophy of the modern world, the opinion of the great mass which prompts the actions of Governments and explains their policies, I take the following from current newspapers and reviews ready to my hand.

Germany must expand. Every year an extra million babies are crying out for more room; and, as the expansion of Germany by peaceful means seems impossible, Germany can only provide for those babies at the cost of potential foes.... She needs the wheat of Canada, the wool of Australia... which, it cannot be too often repeated, is not mere envious greed, but stern necessity. The same struggle for life and space which more than a thousand years ago drove one Teutonic wave after another across the Rhine and the Alps is now once more a great compelling force. Colonies fit to

¹ *The Interest of America in International Conditions*. Sampson Low, Manston & Co., London.

receive the German surplus population are the greatest need of Germany. This aspect of the case may be all very sad and very wicked, but it is true. . . .—*National Review*.

It is the prowess of our navy . . . our dominant position at sea . . . which has built up the British Empire and its commerce.—*Times'* leading article.

Because her commerce is infinitely vulnerable, and because her people are dependent upon that commerce for food and the wages with which to buy it . . . Britain wants a powerful fleet, a perfect organization behind the fleet, and an army of defense. Until they are provided this country will exist under perpetual menace from the growing fleet of German Dreadnoughts, which have made the North Sea their parade-ground. All security will disappear, and British commerce and industry, when no man knows what the morrow will bring forth, must rapidly decline, thus accentuating British national degeneracy and decadence.—H. W. Wilson in the *National Review*, May, 1909.

Sea-power is the last fact which stands between Germany and the supreme position in international commerce. At present Germany sends only some fifty million pounds worth, or about a seventh, of her total domestic produce to the markets of the world outside Europe and the United States. . . . Does any man who understands the subject think there is any power in Germany, or, indeed, any power in the world, which can prevent Germany, she having thus accomplished the first stage of her work, from now closing with Great Britain for her ultimate share of this 240 millions of overseas trade? Here it is that we unmask the shadow which looms like a real presence behind all the moves of present-day diplomacy, and behind all the colossal armaments that indicate the present preparations for a new struggle for sea-power.—Mr. Benjamin Kidd in the *Fortnightly Review*, April 1, 1910.

It is idle to talk of "limitation of armaments" unless the nations of the earth will unanimously consent to lay aside all selfish ambitions. . . . Nations, like individuals, concern themselves chiefly with their own interests, and when these clash with those of others, quarrels are apt to follow. If the aggrieved party is the weaker he usually goes to the wall, though "right" be never so much on his side; and the stronger, whether he be the aggressor or not, usually has his own way. In international politics charity begins at home, and quite properly; the duty of a statesman is to think first of the interests of his own country.—*United Service Magazine*, May, 1909.

How was this Empire of Britain founded? War founded this Empire—war and conquest! When we, therefore, masters by war

of one-third of the habitable globe, when *we* propose to Germany to disarm, to curtail her navy or diminish her army, Germany naturally refuses; and pointing, not without justice, to the road by which England, sword in hand, has climbed to her unmatched eminence, declares openly, or in the veiled language of diplomacy, that by the same path, if by no other, Germany is determined also to ascend! Who amongst us, knowing the past of this nation, and the past of all nations and cities that have ever added the luster of their name to human annals, can accuse Germany or regard the utterance of one of her greatest a year and a half ago (or of General Bernhardt three months ago) with any feelings except those of respect?—Lord Roberts (*"Message to the Nation,"* pp. 8-9).

Why should Germany attack Britain? Because Germany and Britain are commercial and political rivals; because Germany covets the trade, the Colonies, and the Empire which Britain now possesses.... As to arbitration, limitation of armament, it does not require a very great effort of the imagination to enable us to see that proposal with German eyes. Were I a German, I should say: "These Islanders are cool customers. They have fenced in all the best parts of the globe, they have bought or captured fortresses and ports in five continents, they have gained the lead in commerce, they have a virtual monopoly of the carrying trade of the world, they hold command of the seas, and now they propose that we shall all be brothers, and that nobody shall fight or steal any more."—(Robert Blatchford, *"Germany and England,"* pp. 4-13.)

National entities, in their birth, activities and death, are controlled by the same laws that govern all life—plant, animal, or nation—the law of struggle, the law of survival....

That idea of international arbitration as a substitute for natural laws that govern the existence of political entities arises not only from a denial of their fiats and an ignorance of their application, but from a total misconception of war, its causes, and its meaning.—General Homer Lea: *Valour of Ignorance* (p. 88).

Let us conceive of a decisive defeat of the British fleet, and that Great Britain be humbled from her proud position as mistress of the seas.... How long before Germany landed troops at Cape Town and Port Elizabeth? And how long before our American cousins discovered that it was the manifest destinies of Canada and the West India Isles to become parts of the American Union? From every quarter of the globe the rats would gather to devour the dying carcase, and how would this affect British industry? The capture of our Australian trade by Japan, the capture of our

Indian trade by Russia, the capture of our Canadian trade by America, an enormous war indemnity to pay off, and the markets in confusion. Ruined capitalists, silent factories and unemployed—that is the answer.

The teaching of all history is that commerce grows under the shadow of armed strength. Did we not fight with Dutch and French to capture the Indian trade? Did we not beat Dutch and French because we happened to be the strongest? Could we have beaten either Dutch or French but for the fact that we had gained command of the sea?

Disarmament will not abolish war; you *cannot* abolish war from a competitive system of civilization; competition is the root-basis of such a system of civilization, and competition is war. When a business firm crushes a trade rival from the markets by cut prices, there is exactly the same process at work as when a business nation crushes a trade rival by physical force; the means vary, but the end in view, and the ethical principles in question are identical. In both cases the weaker goes to the wall; in both cases it is woe to the vanquished.—*The Struggle for Bread*, by A. Rifleman.

Great Britain, with her present population, exists by virtue of her foreign trade and her control of the carrying trade of the world; defeat in war would mean the transference of both to other hands and consequent starvation for a large percentage of the wage-earners.—T. G. Martin in the *World*.

We offer an enormously rich prize if we are not able to defend our shores; we may be perfectly certain that the prize which we offer will go into the mouth of somebody powerful enough to overcome our resistance and to swallow a considerable portion of us up.—The Speaker of the House of Commons in a speech at Greystoke, reported by the *Times*.

What is good for the beehive is good for the bee. Whatever brings rich lands, new ports, or wealthy industrial areas to a State enriches its treasury, and therefore the nation at large, and therefore the individual.—Mr. Douglas Owen in a letter to the *Economist*, May 28, 1910.

Do not forget that in war there is no such thing as international law, and that undefended wealth will be seized wherever it is exposed, whether through the broken pane of a jeweller's window or owing to the obsession of a humanitarian Celt.—*Referee*, November 14, 1909.

We appear to have forgotten the fundamental truth—confirmed by all history—that the warlike races inherit the earth, and that Nature decrees the survival of the fittest in the never-ending struggle for existence.... Our yearning for disarmament, our respect for the tender plant of Nonconformist conscience, and the parrot-like repetition of the misleading formula that the “greatest of all British interests is peace”... must inevitably give to any people who covet our wealth and our possessions... the ambition to strike a swift and deadly blow at the heart of the Empire—undefended London.—*Blackwood's Magazine*, May, 1909.

These are taken from British sources, but there is not a straw to choose between them and other European opinion on the subject.

In the writings of such classic authorities as Clausewitz one finds full confirmation of the views expressed above, while they make resounding note of most popular German political literature that deals with *Weltpolitik*.

We find the same conception of war as the ultimate expression of “the struggle for life.” Thus:

The natural law, to which all law of Nature can be reduced, is the law of struggle. All intra-social property, all thoughts, inventions, and institutions, as, indeed, the social system itself are a result of the intra-social struggle, in which one survives and another is cast out. The extra-social, the super-social, struggle, which guides the external development of societies, nations, and races, is war. The internal development, the intra-social struggle, is man's daily work—the struggle of thoughts, feelings, wishes, sciences, activities. The outward development, the super-social struggle, is the sanguinary struggle of nations—war. In what does the creative power of this struggle consist? In growth and decay, in the victory of the one factor and in the defeat of the other! This struggle is a creator since it eliminates.—Claus Wagner: *Der Kregals Schaffendes Weltprinzip*.

Grand Admiral von Koster, President of the Navy League, writes:

The steady increase of our population compels us to devote special attention to the growth of our overseas interests. Nothing but the strong fulfilment of our naval programme can create for us that importance upon the free-world sea which it is incumbent upon us to demand. The steady increase of our population com-

pels us to set ourselves new goals and to grow from a Continental into a world power. Our mighty industry must aspire to new overseas conquests. Our world trade—which has more than doubled in twenty years, which has increased from 500 millions sterling to 800 millions sterling during the ten years in which our naval programme was fixed, and 600 millions sterling of which is sea-borne commerce—only can flourish if we continue honourably to bear the burdens of our armaments on land and sea alike. Unless our children are to accuse us of short-sightedness, it is now our duty to secure our world power and position among other nations. We can do that only under the protection of a strong German fleet, a fleet which shall guarantee us peace with honour for the distant future.

One popular German writer sees the possibility of “overthrowing the British Empire” and “wiping it from the map of the world in less than twenty-four hours,” thanks to a fog, efficient espionage, the bursting of the British war balloon, and the success of the German one in dropping shells at the correct tactical moment on to the British ships in the North Sea:

This war, which was decided by a naval battle lasting a single hour, was of only three weeks’ duration—hunger forced England into peace. In her conditions Germany showed a wise moderation. In addition to a war indemnity in accordance with the wealth of the two conquered States, she contented herself with the acquisition of the African Colonies, with the exception of the southern States, which had proclaimed their independence, and these possessions were divided with the other two powers of the Triple Alliance. Nevertheless, this war was the end of England. A lost battle had sufficed to manifest to the world at large the feet of clay on which the dreaded Colossus had stood. In a night the British Empire had crumbled altogether; the pillars which English diplomacy had erected after years of labour had failed at the first test.

A glance at any average Pan-Germanist organ will reveal immediately how very nearly the foregoing corresponds to a somewhat prevalent type of political aspiration in Germany. One Pan-Germanist writer says:

The future of Germany demands the absorption of Austria-Hungary, the Balkan States, and Turkey, with the North Sea ports. Her realms will stretch towards the east from Berlin to Bagdad, and to Antwerp on the west.

For the moment we are assured there is no immediate intention of seizing the countries in question, nor is Germany's hand actually ready yet to clutch Belgium and Holland within the net of the Federated Empire.

"But," he says, "all these changes will happen within our epoch," and he fixes the time when the map of Europe will thus be rearranged as from twenty to thirty years hence.

Germany, according to the writer, means to fight while she has a penny left and a man to carry arms, for she is, he says, "face to face with a crisis which is more serious than even that of Jena."

And, recognizing the position, she is only waiting for the moment she judges the right one to break in pieces those of her neighbors who work against her.

France will be her first victim, and she will not wait to be attacked. She is, indeed, preparing for the moment when the allied Powers attempt to dictate to her.

Germany, it would seem, has already decided to annex the Grand Duchy of Luxemburg, and Belgium, incidentally with, of course, Antwerp, and will add all the northern provinces of France to her possessions, so as to secure Boulogne and Calais.

All this is to come like a thunderbolt, and Russia, Spain, and the rest of the Powers friendly to Great Britain will not dare to move a finger to aid her. The possession of the coasts of France and Belgium will dispose of Great Britain's supremacy for ever.

In a book on South Africa entitled *Reisen Erlebnisse und Beobachtungen*, by Dr. F. Bachmar, occurs the passage:

My second object in writing this book is that it may happen to our children's children to possess that beautiful and unhappy land of whose final absorption (*gewinnung*) by our Anglo-Saxon cousins I have not the least belief. It may be our lot to unite this land with the German Fatherland, to be equally a blessing to Germany and South Africa.

The necessity for armament is put in other than fictional form by so serious a writer as Dr. Gaevernitz, Pro-Rector of the University of Freiburg. Dr. Schulze-Gaevernitz is not unknown in Great Britain, nor is he imbued with inimical feelings towards her. But he takes the view that the commercial prosperity of Germany depends upon her political domination.¹

After having described in an impressive way the astonishing growth of Germany's trade and commerce, and shown how dangerous a competitor Germany has become for Great Britain, he returns to the old question, and asks what might happen if Great Britain, unable to keep down the inconvenient upstart by economic means, should, at the eleventh hour, try to knock him down. Quotations from the *National Review*, the *Observer*, the *Outlook*, the *Saturday Review*, etc., facilitate the professor's thesis that this presumption is more than a mere abstract speculation. Granted that they voice only the sentiments of a small minority, they are, according to our author, dangerous for Germany in this—that they point to a feasible and consequently enticing solution. The old peaceful Free Trade, he says, shows signs of senility. A new and rising Imperialism is everywhere inclined to throw the weapons of political warfare into the arena of economic rivalry.

How deeply the danger is felt even by those who sincerely desire peace and can in no sense be considered Jingoese may be judged by the following from the pen of Mr. Frederic Harrison. I make no apology for giving the quotations at some length. In a letter to the *Times* he says:

Whenever our Empire and maritime ascendancy are challenged it will be by such an invasion in force as was once designed by Philip and Parma, and again by Napoleon. It is this certainty which compels me to modify the anti-militarist policy which I have consistently maintained for forty years past. . . . To me now it is no question of loss of prestige—no question of the shrinkage of

¹ See letter to the *Matin*, August 22, 1908.

the Empire; it is our existence as a foremost European Power, and even as a thriving nation. . . . If ever our naval defence were broken through, our navy overwhelmed or even dispersed for a season, and a military occupation of our arsenals, docks, and capital were effected, the ruin would be such as modern history cannot parallel. It would not be the Empire, but Britain, that would be destroyed. . . . The occupation by a foreign invader of our arsenals, docks, cities, and capital would be to the Empire what the bursting of the boilers would be to a *Dreadnought*. Capital would disappear with the destruction of credit. . . . A catastrophe so appalling cannot be left to chance, even if the probabilities against its occurring were 50 to 1. But the odds are not 50 to 1. No high authority ventures to assert that a successful invasion of our country is absolutely impossible if it were assisted by extraordinary conditions. And a successful invasion would mean to us the total collapse of our Empire, our trade, and, with trade, the means of feeding forty millions in these islands. If it is asked, "Why does invasion threaten more terrible consequences to us than it does to our neighbours?" the answer is that the British Empire is an anomalous structure, without any real parallel in modern history, except in the history of Portugal, Venice, and Holland, and in ancient history Athens and Carthage. Our Empire presents special conditions both for attack and for destruction. And its destruction by an enemy seated on the Thames would have consequences so awful to contemplate that it cannot be left to be safeguarded by one sole line of defence, however good, and for the present hour however adequate. . . . For more than forty years I have raised my voice against every form of aggression, of Imperial expansion, and Continental militarism. Few men have more earnestly protested against postponing social reforms and the well-being of the people to Imperial conquests and Asiatic and African adventures. I do not go back on a word that I have uttered thereon. But how hollow is all talk about industrial reorganization until we have secured our country against a catastrophe that would involve untold destitution and misery on the people in the mass—which would paralyze industry and raise food to famine prices, whilst closing our factories and our yards!

CHAPTER III

THE GREAT ILLUSION

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ALTHOUGH these views are all but universally held, they disregard the plain facts of the world about us and constitute a gross and dangerous misconception. Conquest in the modern world does not involve a transfer of property from one set of owners to another but a change of political administration. If capture of territory added to the conqueror's wealth, those in large countries would be richer than those in small. The facts. The "cash value" of Alsace-Lorraine. Who takes the taxes?

II THINK it will be admitted that there is not much chance of misunderstanding the general idea embodied in the passage quoted at the end of the last chapter. Mr. Harrison is especially definite. At the risk of "damnable iteration," I would again recall the fact that he is merely expressing one of the universally accepted axioms of European politics, namely, that a nation's whole economic security, its financial and industrial stability, its commercial opportunity, its prosperity and well-being, in short depend upon its being able to defend itself against the aggression of other nations, who will, if they are able, be tempted to commit such aggression because in so doing they will increase *their* power, and thus prosperity and well-being, at the cost of the weaker and vanquished.

I have quoted largely journalists, politicians, publicists of all kinds, because I desired to indicate not merely scholarly opinion, but the common public opinion really operative

in politics, though in fact the scholars, the experts on international affairs, are at one with popular opinion in accepting the assumption which underlies these expressions, the assumption that military force if great enough can be used to transfer wealth, trade, property, from the vanquished to the victor, and that this latent power so to do explains the need of each to arm.

It is the object of these pages to show that this all but universal idea is a gross and desperately dangerous misconception, partaking at times of the nature of an optical illusion, at times of the nature of a superstition—a misconception not only gross and universal, but so profoundly mischievous as to misdirect an immense part of the energies of mankind, to misdirect them to such degree that, unless we liberate ourselves from it, civilization itself will be threatened.

As one of the most extraordinary features of this whole question is that the complete demonstration of the fallacy involved, the exposure of the illusion which gives it birth, is neither intricate nor doubtful. The demonstration does not repose upon any elaborately constructed theorem, but upon the simplest statement of the plainest facts in the economic life of Europe as we see it going on around us. Their nature may be indicated in a few simple propositions stated thus:

1. An extent of devastation, even approximating to that which Mr. Harrison foreshadows, as the result of the conquest of Great Britain, could only be inflicted by an invader as a means of punishment costly to himself, or as the result of an unselfish and expensive desire to inflict misery for the mere joy of inflicting it. Since trade depends upon the existence of natural wealth and a population capable of working it, an invader cannot "utterly destroy it" except by destroying the population, which is not practicable. If he could destroy the population, he would thereby destroy his own market, actual or potential, which would be com-

mercially suicidal. In this self-seeking world, it is not reasonable to assume the existence of an inverted altruism of this kind.

2. If an invasion by Germany did involve, as Mr. Harrison and those who think with him say it would, the "total collapse of the Empire, our trade, and the means of feeding forty millions in these islands . . . the disturbance of capital and destruction of credit," German capital would, because of the internationalization and interdependence of modern finance, and so of trade and industry, also disappear in large part, German credit also collapse; and the only means of restoring it would be for Germany to put an end to the chaos in Great Britain by putting an end to the condition which had produced it. Moreover, because also of this interdependence of our finance, the confiscation by an invader of private property, whether stocks, shares, ships, mines, or anything more valuable than jewelry or furniture—anything, in short, which is bound up with the economic life of the people,—would so react upon the finance of the invader's country as to make the damage to him resulting from the confiscation exceed in value the property confiscated. So that Germany's success in conquest would be a demonstration of the economic futility of conquest.

3. For allied reasons, the exaction of tribute from a conquered people in our day has become an economic impossibility; the exaction of a large indemnity so difficult and so costly directly and indirectly as to be an extremely disadvantageous financial operation.

4. For reasons of a like nature to the foregoing, it is a physical and economic impossibility to capture the external or carrying trade of another nation by military conquest. (Large navies are impotent to create trade for the nations owning them, and can in practice do nothing to "confine the commercial rivalry" of other nations. Nor can a conqueror destroy the competition) of a conquered

nation by annexation; his competitors would still compete with him—i.e., if Germany conquered Holland, German merchants would still have to meet the competition of the Dutch, and on keener terms than originally, because the Dutch manufacturers and merchants would then be within the German customs lines; the notion that the trade competition of rivals can be disposed of by conquering those rivals being one of the illustrations of the curious optical illusion which lies behind the misconception dominating this subject.

5. The wealth, prosperity, and well-being of a nation depend in no way upon its military power; otherwise we should find the commercial prosperity, and the economic well-being of the smaller nations, which exercise no such power, manifestly below that of the great nations which control Europe, whereas this is not the case. The populations of States like Switzerland, Holland, Belgium, Denmark, Sweden, are in every way as prosperous as the citizens of States like Germany, Russia, Austria, and France. (The wealth *per capita* of the small nations is in many cases in excess of that of the great nations.) Not only the question of the security of small States, which, it might be urged, is due to treaties of neutrality, is here involved, but the question of whether military power can be turned in a positive sense to economic advantage.

6. No other nation could gain material advantage by the conquest of the British Colonies, and Great Britain could not suffer material damage by their "loss," however much such "loss" would be regretted on sentimental grounds, and as rendering less easy a certain useful social coöperation between kindred peoples. The use of the word "loss" is misleading. Great Britain does not "own" her Colonies. They are, in fact, independent nations in alliance with the Mother Country, to whom they are no source of tribute or economic profit (except as foreign nations are a source of profit), their economic relations being settled,

not by the Mother Country, but by the Colonies. Economically, Great Britain would gain by their formal separation, since she would be relieved of the cost of their defense. Their "loss," involving no fundamental change in economic fact (beyond saving the Mother Country the cost of their defense), could not involve the ruin of the Empire and the starvation of the Mother Country, as those who commonly treat of such a contingency usually aver. As Great Britain is not able to exact tribute or economic advantage, it is inconceivable that any other country, necessarily less experienced in colonial management, would be able to succeed where Great Britain had failed, especially in view of the past history of the Spanish, Portuguese, French and British Colonial Empires. This history also demonstrates that the position of Crown Colonies, in the respect which we are considering, is not sensibly different from that of the self-governing ones (i.e., their fiscal policies tend to become their own affair, not the Mother Country's). It is not to be presumed, therefore, that any European nation, *realizing the facts*, would attempt the desperately expensive business of the conquest of Great Britain for the purpose of making an experiment which all colonial history shows to be doomed to failure.



THE propositions just outlined—which traverse sufficiently the ground covered by those expressions, British and German, of the current view quoted in the last chapter—are little more than a mere statement of self-evident facts in Europe today. Yet that mere statement of self-evident fact constitutes, I suggest, a complete refutation of the views I have quoted, which are the commonly accepted "axioms" of international politics. For the purpose of parallel, I have divided my propositions into six clauses, but such division is quite arbitrary, and the whole could be gathered into a single clause as follows:

As the only feasible policy in our day for a conqueror to pursue is to leave the wealth of a territory in the possession of its occupants, it is a fallacy, an illusion, to regard a nation as increasing its wealth when it increases its territory. When a province or state is annexed, the population, who are the owners of the wealth, are also annexed. There is a change of political administration which may be bad (or good), but there is not a transfer of property from one group of owners to another. The facts of modern history abundantly demonstrate this. When Germany annexed Schleswig-Holstein and Alsace-Lorraine, no ordinary German citizen was enriched by goods or property taken from the conquered territory. Nor in these cases where there is no formal annexation, can the conqueror take the wealth of a conquered territory, for reasons connected with the very nature of wealth in the modern world. The structure of modern banking and finance have set up a vital, and, by reason of the telegraph, an immediately felt interdependence. Mutual indebtedness and world-wide investment have made the financial and industrial security of the victor dependent upon financial and industrial security in all considerable civilized centers. For these reasons widespread confiscation, or destruction of industry and trade in a conquered territory, would react disastrously upon the commerce and finance of the conqueror. The conqueror is, by this fact, reduced to military impotence as far as economic ends are concerned. Military power can do nothing commensurate with its cost and risk for the trade and well-being of the particular rulers exercising it. It cannot be used as an instrument for seizing or keeping trade. The idea that armies and navies can be used to transfer the trade of rivals from weak to powerful states is an illusion. Although Great Britain "owns" Canada, has completely "conquered" Canada, the British merchant is driven from the Canadian markets by the merchant of (say) the

United States or Switzerland. The great nations neither destroy nor transfer to themselves the trade of small nations, because they cannot. Military power does not determine the relative economic position of peoples. The Dutch citizen, whose Government possesses no considerable military power, is just as well off as the German citizen, whose government possesses an army of two million men, and a great deal better off than the Russian, whose government possesses an army of something like four million. A fairly good index of economic stability, whether of a business organization or a nation, is the rate at which it is able to borrow money: risk and insecurity are very quickly reflected by a rise in the interest it must pay. Thus, as a rough-and-ready though incomplete indication of the relative wealth and security of the respective States, we find that the Three per Cents. of comparatively powerless Holland are quoted at $77\frac{1}{2}$, and the Three per Cents. of powerful Germany at 75; the Three and a Half per Cents. of the Russian Empire, with its hundred and twenty million souls and its four million army, are quoted at 78, while the Three and a Half per Cents. of Norway, which has not an army at all (or any that need be considered in this discussion), are quoted at 88. We thus get the paradox that, the more a nation's wealth is militarily protected, the less secure does it become.¹

The late Lord Salisbury, speaking to a delegation of business men, made this notable observation: The conduct of

¹ This is not the only basis of comparison, of course. Every one who knows Europe at all is aware of the high standard of comfort in certain of the small countries—Scandinavia, Holland, Belgium, Switzerland. Mulhall, in *Industries and Wealth of Nations* (p. 391), puts the small States of Europe with France and England at the top of the list, Germany *sixth*, and Russia, territorially and militarily the greatest of all, at the very end. Dr. Bertillon, the French statistician, has made an elaborate calculation of the relative wealth of the individuals of each country. The middle-aged German possesses (on the established average) nine thousand francs; the Hollander *sixteen thousand*. (See *Journal*, Paris, August 1, 1910.)

men of affairs, acting individually in their business capacity, differs radically in its principles and application from the conduct of the same men when they act collectively in political affairs.

The fact may explain the contradiction between the daily practice of the business world and the prevailing political philosophy, which security of property and high prosperity in the smaller States involves. We are told by the political experts that great navies and great armies are necessary in order to protect our wealth against the aggression of powerful neighbors, whose cupidity and voracity can be controlled by force alone; that as treaties avail nothing, and that in international politics might makes right, armaments are imposed by the necessity of commercial security; that our navy is an "insurance," and that a country without military power, with which their diplomats can "bargain" in the Councils of Europe, is at a hopeless disadvantage economically. Yet, when the investor studying the question in its purely material, its financial aspect, has to decide between the great States, with all their imposing paraphernalia of colossal armies and fabulously costly navies, and the little States, possessing relatively no military power whatever, he plumps solidly, and with what is in the circumstance a very great difference, in favor of the small and helpless. For a difference of twenty points, which we find as between Norwegian and Russian, and fourteen as between Belgian and German securities, is the difference between a safe and a speculative one.

Is it a sort of altruism or quixotism which thus impels the capitalists of Europe to conclude that the public funds and investments of powerless Holland and Sweden (any day at the mercy of their big neighbors) are 10 to 20 per cent. safer than those of the greatest Power of Continental Europe? The question is, of course, absurd. The only consideration of the financier is profit and security, and he has decided, thinking and acting as a financier, a practical

economist, that the funds of the undefended nation are more secure than the funds of those defended by colossal armaments. Why does he reject the implications of this decision when he comes to settle matters of international politics?

If Mr. Harrison were right; if, as he implies, our commerce, our very industrial existence, would disappear did we allow neighbors who envied us that commerce to become our superiors in armament, and to exercise political weight in the world, how does he explain the fact that the great Powers of the Continent are flanked by little nations far weaker than themselves having nearly always a commercial development equal to, and in some cases greater than, their own? If the common doctrine be true, the financiers would not invest a pound or a dollar in the territories of the undefended nations. Yet, far from that being the case, they consider that a Swiss or a Dutch investment is more secure than a German one; that industrial undertakings in a country like Switzerland are preferable in point of security to enterprises backed by three millions of the most perfectly trained soldiers in the world. The beliefs of European financiers, as reflected in their acts, are in flat contradiction with the beliefs of European politicians as reflected in *their* acts. If a country's trade were really at the mercy of the first successful invader; if armies and navies were really necessary for the protection and promotion of trade, the small countries would be in a hopelessly inferior position, and could only exist on the sufferance of what we are told are unscrupulous aggressors. (And yet Norway has, relatively to population, a greater carrying trade than Great Britain,¹ and Dutch, Swiss, and Belgian merchants compete in all the markets of the world successfully with those of Germany and France.

¹ The figures given in the *Statesman's Year Book* show that, proportionately to population, Norway has nearly three times the carrying trade of England.

The prosperity of the small states is thus a fact which proves a good deal more than that wealth can be secure without armaments. Exponents of the orthodox statecraft—notably such authorities as Admiral Mahan—plead that armaments are a necessary part of the economic struggle of nations, that without such power a nation is at a hopeless economic disadvantage.

The relative economic situation of the small States gives the lie to it all. This profound political philosophy is seen to be just learned nonsense when we realize that all the might of Russia or Germany cannot secure for the individual citizen better general economic conditions than those prevalent in the little States. The citizens of Switzerland, Belgium, or Holland, countries without “control,” or navy, or bases, or “weight in the councils of Europe,” or the “prestige of a great Power,” are just as well off as Germans, and a great deal better off than Austrians or Russians.

Even if it could be argued that the security of the small States is due to the various treaties guaranteeing their neutrality, it cannot be argued that those treaties give them the military and naval power, the “weight in the councils of the nations,” which Admiral Mahan and the other exponents of the orthodox statecraft assure us are such necessary factors in national prosperity.

I want, however, with all possible emphasis, to indicate the limits of the argument that I am trying to enforce. That argument is not that the facts just cited show armaments or the absence of them to be the sole or even the determining factor in national wealth or poverty. Nor indeed that there are no advantages in large national areas. Plainly there are (e.g. the absence of tariffs and fiscal barriers). But the facts cited do show that the security of wealth is due to other things than armaments; that the absence of political and military power is, on the one hand, no obstacle to prosperity any more than the possession of such power is a guarantee of prosperity; that the mere size of administrative area has

no relation to the wealth of those inhabiting it, any more than it would be true to say that a man living in London is richer than a man living in Liverpool because the former city is larger and has a bigger budget.

A very common reply to the arguments just adduced is that the security of the small states nevertheless depends upon armaments—the armaments of the states which guarantee their neutrality. But, if treaty guarantees suffice for the protection of small states, why not of great? When that is suggested, however, the militarist is apt to turn round and declare that treaties are utterly valueless as a means of national security. Thus Major Stewart Murray:¹

The European waste-paper basket is the place to which all treaties eventually find their way, and a thing which can any day be placed in a waste-paper basket is a poor thing on which to hang our national safety. Yet there are plenty of people in this country who quote treaties to us as if we could depend on their never being torn up. Very plausible and very dangerous people they are—idealists too good and innocent for a hard, cruel world, where force is the chief law. Yet there are some such innocent people in Parliament, even at present. It is to be hoped that we shall see none of them there in future.

But, again, if the security of a nation's wealth can only be assured by force, and treaty rights are mere waste paper, how can we explain the evident security of the wealth of States possessing relatively no force? By the mutual jealousies of those guaranteeing their neutrality? Then that mutual jealousy could equally well guarantee the security of any one of the larger States against the rest.

The right understanding of this phenomenon involves, however, a certain distinction, the distinction between economic and political security. The political security of the small States is *not* assured; no man would take heavy odds on Holland being able to maintain complete political independence if Germany cared seriously to threaten it. But Holland's economic security *is* assured. Every financier in

¹ *Future Peace of the Anglo-Saxons*. Watts & Co.

Europe knows that, if Germany conquered Holland or Belgium tomorrow, she would have to leave their wealth untouched; there could be no confiscation. And that is why the stocks of the lesser States, not in reality threatened by confiscation, yet relieved in part at least of the charge of armaments, stand fifteen to twenty points higher than those of the military States. Belgium, politically, might disappear tomorrow; her wealth would remain practically unchanged.

If this truth—that the wealth of an unprotected country is safe, that it cannot be seized—is recognized (as it is) by investors and financiers, the experts most concerned, whence comes the political danger, the danger of aggression? It is due surely to the fact that the truth recognized by investors, financiers, business men when dealing with facts belonging to their familiar world, has not been carried over into the realm of political ideas. The average business man does not see the contradiction between his daily conduct as a business man and the policy which he encourages his government to adopt. He sees no need of reconciling the fact that he will invest heavily in property that has no military or naval protection and his applause of Mr. Harrison, when the latter declares that, but for the British navy, the foreigner would run off with every penny that we possess, or words to that effect.

The actual policy pursued by financiers and investors implies that they do not believe that wealth, property can be "taken" by preponderant power. Yet preponderant power is pursued everywhere as the means of national enrichment. Power as an end is set up in European politics as desirable beyond all others. Here, for instance, are the Pan-Germanists of Germany. This party has set before itself the object of grouping into one great Power all the peoples of the Germanic race or language in Europe. Were this aim achieved, Germany would become the dominating Power of the Continent, and might become the dominating Power of the world. And, according to the commonly accepted doctrine

of national advantage, such an achievement would, from the point of view of Germany, be worth any sacrifice that Germans could make. It would be an achievement so great, so desirable, that German citizens should not hesitate for an instant to give everything, life itself, in its accomplishment. Very good. Let us assume that, at the cost of great sacrifice, the greatest sacrifice which it is possible to imagine a modern civilized nation making, this has been accomplished, and that Belgium and Holland and Germany, Switzerland and Austria, have all become part of the great German hegemony: *is there one ordinary German citizen who would be able to say that his well-being had been increased by such a change?* Germany would then "own" Holland. *But would a single German citizen be the richer for the ownership?* The Hollander, from having been the citizen of a small and insignificant State, would become the citizen of a very great one. *Would the individual Hollander be any the richer or any the better?* We know that, as a matter of fact, neither the German nor the Hollander would be one whit the better; and we know also that, in all probability, both would be a great deal the worse. We may, indeed, say that the Hollander would be certainly the worse, in that he would have exchanged the relatively light taxation and light military service of Holland for the much heavier taxation and the much longer military service of the "great" German Empire.

To the thesis here developed, the thesis that, while military conquest in the modern world involves a change of political administration which may be good, bad, or indifferent, it does not and cannot involve a transfer of property from one group of owners to another, the commonest objection is that I have overlooked the collection of taxes by the conqueror. While it may be true, say these critics, that a modern conqueror must respect titles to property since the insolvencies and insecurities produced by their destruction might well (almost inevitably would) affect securities, in-

struments of credits, loans, or what nots, held by persons of the victor state; produce, in other words, insolvencies, which would have dangerous repercussions—while all that may be true, it is said, I have overlooked the fact that the conqueror collects the taxes. It may be true that the Alsatians retained their farms and houses when the Germans took over the Province, they paid their taxes to Germany instead of France. Thus a writer in the *Daily Mail* argues: "If Alsace-Lorraine had remained French it would have yielded at the present rate of French taxation a revenue of eight millions a year to the State. That Revenue is lost to France and placed at the disposal of Germany," and on the basis of this the *Daily Mail* Financier works out the "cash value" of the asset which France has lost and Germany gained.

Not once or twice since this book first appeared has that particular criticism been made. On hundreds of occasions have educated people written to me to point out this "oversight." I really had not thought this matter out sufficiently: obviously a nation was enriched by an addition to the receipts of its treasury. And never, in these criticisms, is there any awareness that it constitutes a sort of Irish bull.

That this is perhaps the commonest of all the objections made to the argument of this chapter I regard as an extremely significant comment on the character of current political thinking. For this objection so commonly made is the outcome of pure confusion of thought, an illustration of what some writer has called "the unilateral illusion," the kind of illusion which leads us to think of a sale without realizing that it is also a purchase; that an export must also be an import; a failure to be clear as to the meaning of the terms we use, a mixing of the symbols with the things for which it stands. "Germany," says the *Daily Mail* critic, is now richer by eight millions a year which, but for the conquest, would have gone to "France." But who or what is "Germany" after the annexation? "Germany" now

includes the people of Alsace-Lorraine, who not only pay the taxes but receive them—receive them, that is, as much as any other German. They belong to the new entity which “owns” the asset. The number of recipients have been increased in exact proportion to the number of the contributors.

To this particular critic I replied as follows:

Conquest multiplies by x it is true, but we overlook the fact that it also has to divide by x , and that the result is consequently, so far as the individual is concerned, exactly what it was before. My critic remembered the multiplication all right, but he forgot the division. The matricular contribution (*matrikularbeitrag*) of Alsace-Lorraine to the Imperial treasury (which incidentally is neither three millions nor eight, but just about one) is fixed on exactly the same scale as that of the other States of the Empire. Prussia, the conqueror, pays *per capita* just as much as and no less than Alsace, the conquered, who, if she were not paying this million to Germany, would be paying it—or, according to my critic, a much larger sum—to France; and, if Germany did not “own” Alsace-Lorraine, she would be relieved of charges that amount not to one but several millions. The change of “ownership” does not therefore of itself change the money position (which is what we are now discussing) of either owner or owned.

If a great country benefits every time it annexes a province, and her people are the richer for the widened territory, the small nations ought to be immeasurably poorer than the great, instead of which, by every test which you like to apply—public credit, amounts in savings banks, standard of living, social progress, general well-being—citizens of small States are, other things being equal, as well off as, or better off than, the citizens of great States.

If the Germans are enriched by eight millions a year through the conquest of a province like Alsace-Lorraine, how much should the English people draw from their “possessions”? On the basis of population, somewhere in the region of a thousand million; on the basis of area, still more—enough not only to pay all our taxes, wipe out our National Debt, support the army and navy, but give every family in the land a fat income into the bargain. There is evidently something wrong.

In every civilized State, revenues which are drawn from a territory are expended on that territory, and there is no process known to modern government by which wealth may first be drawn from a territory into the treasury and then be redistributed with a profit to the individuals who have contributed it or to others. It would be just as reasonable to say that the citizens of London

are richer than the citizens of Birmingham because London has a richer treasury; or that Londoners would become richer if the London County Council were to annex the county of Hertford, as to say that people's wealth varies according to the size of the administrative area which they inhabit. The whole thing is, as I have called it, an optical illusion, due to the hypnotism of an obsolete terminology. Just as poverty may be greater in the large city than in the small one, and taxation heavier, so the citizens of a great State may be poorer than the citizens of a small one, as they very often are.

But there is another phase of this confusion, characterized by a strange contradiction. In the militarist view, we must fight others for trade—fight them in a literal military sense, since the need of protecting our trade is invoked as the justification of a great navy. Their trade must be checked, restrained, their goods kept from our shores. Also, we add to our wealth when we conquer their territory. But, if we conquer their territory, we don't keep out their trade: the barriers against their goods are wiped away. The goods enter freely without let or hindrance. Conquest has not destroyed competition, it has wiped away all restraints upon it. We hear a good deal betimes from Americans of the competition of Canadian trade, the need for barriers to keep out goods made in the factories of Ontario and Quebec. America is damaged by the free entry of those goods from those factories. So be it. But Americans of the nationalist and militarist type of mind talk of the ultimate conquest of Canada "and all its riches added to our nation's heritage." But it would mean that those same goods, made by the same hands in the same factories owned by the same people, would now compete freely with the goods of the conquerors. No American would dream of complaining any more than the people of Pennsylvania complain about the competition of Massachusetts (or those of Lancashire about the competition of Yorkshire). It would seem that it is the political status of the trader or manufacturer, not any economic fact, which determines whether he is a competitor or not. But then we do, indeed, labor under a delusion: the economic

fight, the "inevitable biological struggle," has given place to a quarrel about flags. The "grim struggle for bread" ceases the moment that the rival comes under our flag. Is it not time we made up our minds what we are preparing to fight about: economic needs or national insignia?

We have never perhaps asked ourselves what it is we are really fighting about; as we certainly do not, for the most part, examine the nature of that wealth which we declare to be the object of the contest. Let us examine it.

CHAPTER IV

THE NEW WORLD AND THE OLD POLITICS

*

WEALTH in the modern world is not a limited stock of goods any part of which, if taken by one, is lost to others, but is the product of a flow or process. The great danger of the modern world is not absolute shortage but dislocation of the process of exchange by which alone in our economy the fruits of the earth can be made available for human consumption. To represent the struggle of nations as arising from lack of resources at present available is to ignore the plain facts of modern politics; every nation is trying to keep out the products of others and get rid of its own, for the reason that, in a world of division of labor, produce is only wealth if you can get rid of it.

DURING the last quarter of the tenth century, Anlaf the Viking came thrice into Essex and on each occasion he made a pretty good thing of it: his ships, to the number of ninety, moved out of the estuaries deeply laden with corn, and hides, with fine cloth from the monasteries, with plate and ornaments, sometimes with women and slaves.

Obedient to the injunction to remember that the underlying forces of history and the motives of men remain unchanged, I have tried to imagine the British, now that they have the upper hand, returning the compliment ten centuries later: our navy loading up a goodly part of our mercantile marine with the agricultural and industrial wealth of the Scandinavian peninsular, and pouring into Britain shipload upon shipload of butter, bacon and milk

products: of Swedish wood pulp, paper, iron, furniture, hardwood, textiles; and then...

Yes, and what then?...

...and dumping them upon the British market.

And then our troubles would begin.

One remembers what happened when some of our own producers discovered that foreign governments were subsidizing the shipment to this country of certain products like sugar. We called international conferences for the purpose of preventing the entrance into this country of foreign goods which were obtained by some of our people at something below their cost of production. But what would happen if some modern British Anlaf obtained vast quantities of foreign goods for nothing more than the cost of seizing them and began dumping them on the market?

The British farmer and industrialist would immediately, with strident and insistent clamor, insist upon a Tariff or a Convention to prohibit this somewhat too simple manifestation of the "struggle for bread." We should be deafened with shouts about the ruin of British agriculture and industry, the passing of our yeoman prosperity.... We have plainly here a complication that Anlaf did not have to face. The fluctuations of the produce markets, agricultural prices, the political pull of the Manufacturers Associations did not particularly embarrass *him*.

But these would not be the only complications which would follow upon a sort of Attila raid into the Baltic and wholesale confiscations by invading British hordes. The British coal trade with Scandinavia and the Baltic is an extremely important one; and on that trade depends also much of our shipping industry: it is the fact of taking out coal and getting a cargo both ways that has given to us so much of the carrying trade of the world: and, if our modern sea rovers began sacking Stockholm or Copenhagen or Christiania, they would in fact be sacking the working class homes

of Newcastle or Barrow or Cardiff almost as disastrously, reducing to unemployment and starvation *British* miners, *British* factory men, *British* shipbuilders, *British* sailors.

I doubt whether, when Anlaf sacked Maldon or Colchester, the Scandinavian carrying trade was greatly affected, or the unemployment rate increased. But this is only the beginning of the complications with the modern Anlaf. British insurance companies have insured the very buildings that our British Vikings would be burning; the shares in the businesses thus brought to ruin are held by *British* investors; *British* banks have lent money to the now ruined merchants, or discounted their bills; or lent money to other merchants who had discounted the bills; and, if the sacking across the North Sea were at all extensive, we should find *British* banks gravely embarrassed and for safety's sake calling in loans extended to *British* business men, raising the *British* bank rate, increasing the cost and difficulty of financing *British* business and *British* enterprise, thus depriving *British* investors of their property, *British* workmen of their jobs.

I have not studied Viking history very carefully, but I doubt very much whether the Scandinavian stock exchanges of the tenth century were greatly affected when Anlaf ravaged Essex.

Still, very learned people, writers of histories and books on statecraft, tell me that "the same struggle," which more than a thousand years ago "drove the Teutonic warriors across the Rhine," must still go on in much the same way. Well, I suggest there will be complications.

A fiery patriot sent to a London paper the following letter:

When the German army is looting the cellars of the Bank of England, and carrying off the foundations of our whole national fortune, perhaps the twaddlers who are now screaming about the wastefulness of building four more *Dreadnoughts* will understand

why sane men are regarding this opposition as treasonable nonsense.¹

Let us consider quite soberly for a moment what would be the result of such an action on the part of a German army in London? The first effect, of course, would be that, as the Bank of England is the banker of all other banks, every bank would suspend specie payment; our money would become paper money, no one knowing what it would be worth a week hence. Very probably there would be a run on every bank in England, and all would suspend payment. But London being the clearing-house of the world, bills drawn thereon but held by foreigners would not be met; the loanable value of money in foreign centers would be enormously raised, and instruments of credit enormously depreciated; prices of all kinds of stocks would fall, and holders would be threatened by ruin and insolvency. German finance would represent a condition as chaotic as that of Great Britain. Whatever advantage German credit might gain by holding Britain's gold, it would certainly be more than offset by the fact that it was the ruthless action of the German Government that had produced the general catastrophe. A country that could sack bank reserves would be a good one for foreign investors to avoid: the essential of credit is confidence, and those who repudiate it pay dearly for their action. The German Generalissimo in London might be no more civilized than Anlaf himself, but he would soon find the difference between himself and Anlaf. Anlaf did not have to worry about a bank rate and such-like complications; but the German General, while trying

¹ It has been interesting to observe that, at various times in the post-war period, notably in July and August, 1931, foreigners *were* taking the gold out of the cellars of the Bank of England, taking it to such a degree as truly to shake what this correspondent calls "the foundations of our whole national fortune," and by pushing us off the gold standard to disorganize the whole financial apparatus, and economic life of the nation. But what were the Dreadnoughts, of which the correspondent speaks, and which *did* get built, doing to prevent this catastrophe? What *could* our navy do?

to sack the Bank of England, might find that his own balance in the Bank of Germany had vanished, and the value of even the best of his investments reduced; and that for the sake of loot, amounting to a few sovereigns apiece among his soldiery, he would have sacrificed a considerable part of his own personal fortune. It is as certain as anything can be, that, were the German army guilty of such economic vandalism, there is no considerable institution in Germany that would escape grave damage—a damage in credit and security so serious as to constitute a loss immensely greater¹ than the value of the loot obtained.

There are certain simple facts which indicate the way in which the nature of wealth has changed since the industrial revolution that will be more fully developed in later chapters but some of which should be indicated at this point. In a world which lives by an economy based upon the division of labor—and machine production implies essentially division of labor—a product like timber, or coal, or iron ore, or copper, or coffee, or even wheat, is only wealth on one condition: that the producer gets rid of it. That is the paradox of modern wealth. Every producer is trying to get rid of his produce. The miner cannot eat coal, nor wear it, nor furnish his house with it. If he is to turn it into food and clothing and furniture, he must exchange it, which means in practice exchanging it for money; sell it. But, in order to sell it, the purchaser must have money, which he can obtain in only one way: by getting rid of *his* produce or services for money, to a purchaser whose only means of obtaining money is to get rid of *his* produce for money, who in order to have money... and so on round the world.

Now that, if you look about you, is the outstanding characteristic fact of modern wealth getting. It is not a scramble for the material itself, material of which each fears a shortage. Threatened shortage of material is *not* the problem.

¹ Very many times greater, because the bullion reserve in the Bank of England is relatively small.

In our industrial economy, *markets* are the main problem. And markets depend upon people having money to buy your goods, money which they can obtain only by getting rid of *their* goods. Which means that markets and money are dependent upon a flow, the smooth running of an elaborate apparatus of exchange, the maintenance of a certain process. *The great danger of the modern world is not absolute shortage but dislocation of the process of exchange, by which alone the fruits of the earth can be made available for human consumption,* by which production can be translated into wealth. The problem is to keep the traffic moving on the commercial highways of the world, to prevent traffic congestion, traffic jams. Only on that condition can we use the highways at all and get our goods to market. And jams and congestion will not be prevented by the method of each arming his lorry or his motor car and trying to dictate to all the other users of the road, nor by the method of each having a car bigger than any that he is likely to collide with. In the long run that simply won't work. Nor will it serve any purpose to forbid others the use of the road. For, if others don't use the road, there will be no market to which to take your goods: that market only exists because your customers are able to take *their* goods to market. When our admirals talk of "protecting our lines of commercial communication" as though they were roads that could be kept for our exclusive use, they overlook perhaps the fact that, if we use them only for our own goods, the foreign trade we are so anxious to protect will largely disappear.

If the main object is to keep the traffic freely moving, if the flow of wealth stops immediately the traffic stops, the very worst method of keeping it clear is for each to arm his vehicle in order to "protect himself against the interference of the other users of the road." There is only one way really to keep the traffic moving and that is to have traffic rules, which must be largely a matter of common

agreement. And the more that the characteristic feature of modern wealth develops, the more, that is, that the apparatus of our modern economy becomes elaborated, intricate, vulnerable, the more does this generalization become true, and the need for rules increase. In the past, the need for rules was not great. If Anlaf's ox cart, moving over his tenth-century tracks, met a Saxon ox cart, and one drove to the left and the other to the right, and the two became entangled, the teams could doubtless, after the appropriate blasphemy, be duly separated and each go on his way. But if, on the modern motor-car road, you do not know whether the other car, traveling at fifty miles an hour, is driving to the left, as in England, or to the right as on the continent ... the discussion, after the misunderstanding has produced a collision, would be largely academic. The absence of rule would quickly banish cars from our roads altogether. And really it would not solve that problem for everybody to start building Dreadnought cars.

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THESE are the facts, and, in the light of them, it would be interesting to know how those who talk as though piracy on the national scale were still an economic possibility would proceed to effect it. As material property in the form of that booty which used to constitute the spoils of victory in ancient times, the gold and silver goblets, etc., would be quite inconsiderable, and as Germans could not carry away parts of the London Underground nor we carry away sections of Berlin and Hamburg, we could only annex the paper tokens of wealth—shares and bonds of railways and industrial concerns. But the value of those securities depends first upon the life of the people going on normally and actively, secondly upon the reliance which can be placed upon the execution of the contracts which they embody.

(The act of military confiscation tends to bring industrial activity to a standstill and upsets all contracts.

The courts of the country, from which contracts derive their force, would be paralyzed if judicial decisions were thrust aside by the sword. The value of the stocks and shares would collapse, and the credit of all those persons and institutions interested in such property would also be shaken or shattered. The credit system, being thus at the mercy of alien governors only concerned to exact tribute, would collapse like a house of cards. German finance and industry would show a condition of panic and disorder beside which the worst crises of Wall Street would pale into insignificance. Again, what would be the inevitable result? The financial influence of London itself would be thrown into the scale to prevent a panic in which London financiers would be involved. In other words, British financiers would exert their influence upon the British Government to stop the process of confiscation.

Let us try to see what has happened in the time which separates Anlaf's time from ours—though most which is important in this connection has happened in the last fifty of the thousand years which separate us from him.

When the division of labor was so little developed that every homestead produced all that it needed, it mattered nothing if it were cut off from the world for weeks and months at a time. The inhabitants of neighboring villages or homesteads might be slain or harassed, and no inconvenience resulted. But, if today an English county is cut off by a general railroad strike for so much as forty-eight hours from the rest of the world, we know that whole sections of its population are threatened with famine. If, in the time of the Danes, England could by some magic have killed all foreigners, she would presumably have been the better off. If she could do the same thing today, half her population would starve to death. If on one side of the frontier a community is, say, wheat-producing, and on the other coal-producing, each is dependent for its very exist-

ence on the fact of the other being able to carry on its labor. The miner, who cannot eat coal is unable in a week to set to and grow a crop of wheat. The process of exchange must go on, and each party have fair expectation that he will in due course be able to reap the fruits of his labor, or both must starve; and that exchange, that expectation, is merely the expression in its simplest form of commerce and credit; and the interdependence here indicated has, by the countless developments of rapid communication, reached such a condition of complexity that the interference with any given operation affects not merely the parties directly involved, but numberless others having at first sight no connection therewith.

The vital interdependence here indicated, cutting athwart frontiers, is largely the work of the last forty or fifty years; and it has, during that time, so developed as to have set up a financial interdependence of the capitals of the world, so complex that disturbance in New York involves financial and commercial disturbance in London, and, if sufficiently grave, compels financiers of London to coöperate with those of New York to put an end to the crisis, not as a matter of altruism, but as a matter of commercial self-protection. The complexity of modern finance makes New York dependent on London, London upon Paris, Paris upon Berlin, to a greater degree than has ever yet been the case in history. This interdependence is the result of the daily use of those contrivances of civilization which date from yesterday—the rapid post, the instantaneous dissemination of financial and commercial information by means of telegraphy, and generally the incredible increase in the rapidity of communication which has put the half-dozen chief capitals of Christendom in closer contact financially, and has rendered them more dependent the one upon the other, than were the chief cities of Great Britain less than a hundred years ago.

The world organization has been given a sensory nerve—

a nerve which, when one part is injured, conveys to the whole a sense of injury. It is this mainly which makes the confiscation of wealth on a large national scale practically impossible. The damage would react on the confiscator by virtue of the economic forces which modern finance embodies, and by virtue of the fact, again owing to the development of finance, that the immense bulk of wealth now consists, not in chattels which can be carried off—transferred by force from one party to another—but in multifarious activities of the community which must imply freedom not only to produce, but to enjoy and to consume. "The glittering wealth of this golden isle," which some political poetaster tells us is so tempting to invaders, consists for the most part in the fact that the population travel a great deal by train, ride in motor-cars with rubber tires, propelled by petrol from Russian wells, and eat meat carried on Argentine rivers, and wheat on Canadian railways. If the invader reduced the population of these islands to starvation—the "*was für* plunder" of old Blücher's phrase—this booty which so tempts the invader would have simply vanished into thin air, and with it, be it noted, a most important fact, a good deal of the invader's as well.

I once asked a chartered accountant, very subject to attacks of Germanophobia, how he supposed the Germans would profit by the invasion of Great Britain. He had a very simple program. Admitting the impossibility of sacking the Bank of England, he indicated that the Germans would reduce the British population to practical slavery, and make them work for their foreign task-masters, as he put it, "under the rifle and lash." He had it all worked out in figures as to what the profit would be to the conqueror.

Very well, let us follow the process. The population of this country are not allowed to spend their income, or at least are only allowed to spend a portion of it, on themselves. Their dietary is reduced more or less to a slave dietary, and the bulk of what they earn is to be taken by

their "owners." But how is this income, which so tempts the Germans, created—these dividends on the railroad shares, the profits of the mills and mines and provision companies and amusement concerns? The dividends are due to the fact that the population eat heartily, clothe themselves well, travel on railroads, and go to theaters and music-halls. If they are not allowed to do these things, if, in other words, they cannot spend their money on these things, the dividends disappear. If the German taskmasters are to take these dividends, they must allow them to be earned. If they allow them to be earned, they must let the population live as it lived before—spending most of their income on themselves; and, if they spend their income on themselves, what is there for the taskmasters? In other words, consumption by those who constitute the market is a necessary factor of the whole thing. Cut out consumption, and you cut out the profits. This glittering wealth, which so tempted the invader, has disappeared. If this is not intangibility, the word has no meaning. Speaking broadly and generally, the conqueror in our day has before him two alternatives: to leave things alone, and in order to do that he need not have left his shores; or to interfere by confiscation in some form, in which case he dries up the source of the profit which tempted him.

The economist may object that this does not cover the disposal of "economic rent," or of the fact that the decreased consumption of the dispossessed English community would be made up by the increased consumption of the "owning" Germans.

If the political control of economic operations were as simple a matter as in our minds we generally make it, these objections might be sound. As it is, none of them would in practice invalidate the general proposition I have laid down. The division of labor in the modern world is so complex—the simplest operation of foreign trade involving not two nations merely, but many—that the mere military

control of one party to an operation where many are concerned could insure neither shifting of the consumption nor the monopolization of the profit within the limits of the conquering group.

Here is a German manufacturer selling cinematograph machines to a Glasgow suburb (which incidentally lives by selling tools to Argentine ranchers, who live by selling wheat to Newcastle boiler-makers). Assuming even that Germany could transfer the surplus spent in cinematograph shows to Germany, what assurance has the German manufacturer in question that the enriched Germans will want cinematograph films? They may insist upon champagne and cigars, coffee and Cognac, and the French, Cubans, and Brazilians, to whom this "loot" eventually goes, may not buy their machinery from Germany at all, much less from the particular German manufacturer, but in the United States or Switzerland. The redistribution of the industrial rôles might leave German industry in the lurch, because at best the military power would only be controlling one section of a complex operation, one party to it out of many. When wealth was corn or cattle, the transference by political or military force of the possessions of one community to another may have been possible, although even then, or in a slightly more developed period, we saw the Roman peasantry ruined by the slave exploitation of foreign territory. How far this complexity of the international division of labor tends to render futile the other contrivances of conquest such as exclusive markets, tribute, money indemnity, etc., succeeding chapters may help to show.

For the moment it is important to note the bearing that these characteristic modern developments have upon the very popular conception of war as "a struggle for bread," what light they throw upon the proposition that that struggle is the fundamental cause of war. It is evident that, to represent the modern economic problem as one of a scarcity of available material, as the problem of resources so limited

that if one gets them another is deprived of them; to represent the real struggle of man as a scramble for this diminishing stock of wealth, is simply to deny the evidence of our eyes if we turn them to the international field. What, as a simple matter of economic fact, is it that injects so much bitterness into the economic relations of states? The fact that the products of a given territory are not available to other nations, that nations keep their goods to themselves? Is there a nation in the world that refuses to part with its products to others? There is not one nation that is not anxious to let its goods go out; every nation in the world save this (and that exception may soon disappear) is making desperate efforts by tariffs, exclusions, bonuses, not to take the products of other states, but to keep them *away from* its own people; and the great source of bitterness between nations today is that other nations give us of their resources too readily, sell them to us too cheaply. War has actually arisen in our day because one nation tried, not to take another's goods, but to prevent the other from giving too freely of its produce, tried to keep that produce out. We do not need to fight any nation in order to have free access to its natural resources, in order to get its corn, or timber, or cotton. Our economic quarrels are all the other way: each angrily accusing others of trying to foist unwanted goods upon it. In our own country, it is precisely those who take warlike views that want us to keep out the foreigner's goods. The way to wealth, we are assured so often, is just that: keep foreign goods out. The "open door" for which we fight is not for the purpose of going into the other's house and taking things from it, but for the purpose of enabling us to take our goods into it.

Yet, in the face of all this, our learned authorities still declare that our danger arises from the need of hungry nations to seize its food, and that the purpose of our army and navy is to bolt and bar our door against the attempt of neighbors to enter our house and empty it of its contents!

Of course, it is "their money we want," not their goods; markets. But how are those to whom we sell our goods to get the money to pay for them except by selling *their* goods? You cannot go to foreign countries and "seize" their money as the Danes used to come to seize our goods. In the act of "seizing," the "money" would take wings unto itself and disappear. If you seized gold (and only a tiny fraction of the money of the world is gold), that seizure would itself cause the flow of exchange which constitutes modern wealth to stop; traffic would be hopelessly jammed on the world's commercial highways, and conquerors and conquered alike might well starve in the midst of plenty.

If we are to do the best with our world's resources—if we are to do the best with our nation's—we must, to revert to our earlier illustration, so organize the traffic on the commercial highways of the world that there are no traffic blocks, stoppage jams, no confusions, congestions, fights, wrangles, uncertainties as to what the other will do when he drives his powerful car. If that takes place, the particular product of each becomes valueless. Plainly, the need here is agreement as to what the traffic rules shall be; system, organization. But all the great authorities, the learned university professors, the popular newspaper editors, the statesmen, the generals, the admirals, all tell us with one voice that agreement, traffic rules, are perfectly hopeless, and that the only really feasible policy is for each to have a motor car, bigger and more powerful than any likely to collide with it. And when you point out that each cannot well be stronger than the others, you are told, again with very great learning, that life is a struggle, that man is naturally pugnacious, and the popular editors ask you whether you intend pusillanimously to let foreigners dictate what your conduct shall be.

The real trouble of the modern world is not scarcity, not the inadequacy of our machinery of production, if used to the full, to supply our needs. We may one day face the

Malthusian monster (though the present writer, for one, doubts it exceedingly), but that day is not yet. (The real difficulty is dislocation of the processes of coöperation by which the flow of wealth is maintained; the problem is to improve the coöperation, cure the dislocations to which it is subject in the international world.) And the risk is that, instead of improving the coöperation, we shall by our false philosophy of war utterly throw it out of gear, make it impossible.

Where it is a problem of keeping an elaborate machinery going, mere "force" or "power" may be of no avail at all. You may have "power" over your motor car if you have a crowbar sufficiently heavy to smash it to pieces. Much good may it do you if you ignore the nature of its mechanism in the use of your crowbar. And, to extend the analogy, the power which the crowbar gives you over the driver if you are traveling at sixty miles an hour is a very limited one. You cannot use the crowbar to *him* either, since a crack over the skull will be likely to land you both in the ditch. You cannot compel him by force to make the car go if he is ignorant of its mechanism; and, if he is competent enough to know more of the mechanism perhaps than you, he will find means of resisting your threats.

We get here a hint of the underlying social principle which explains the economic futility of military power in the modern world. (Two features characterize the economic and financial apparatus of that world: interdependence of the various parts and complexity and vulnerability.) To the degree to which we are really dependent upon some one, our physical power over him is limited; to the degree to which the service we demand of him is difficult, needing for its performance knowledge, tools, freedom of movement, he can use those things to resist the power we try to exercise over him. To the degree to which he is powerful to fill your need, he is powerful to resist you. Very simple forms of service like the pulling of a galley oar, the cutting of

sugar cane, can be compelled by the sheer compulsion of the slave driver's whip. But you cannot get your appendix cut that way. It is not much use threatening the penalties which you will visit upon the surgeon if he is clumsy: you may not have the last word on the subject. In that circumstance, you come to voluntary agreement, bargain, contract, fees.

Coercion in the relation of states, directed at securing economic advantage, comes within this category.¹ If we

¹ Indeed, the principle is not confined to the relation of states. Elsewhere I have written: Take two situations in both of which the central governmental apparatus has either broken down or been captured by revolutionary forces. The first case is that of the peasants who had lived heretofore upon a landlord's estates, ground by his exactions, surrendering to him a large part of the fruits of their toil. They can solve the major part of their problem, can transfer to themselves the source of livelihood in an extremely simple fashion by an act of physical coercion which demands very little social coördination for its performance. They can go to the landlord's house, slit his throat or hang him to a lamp-post, divide up his land among themselves, and each of them work his bit for himself without any elaborate social organization. The more the landlord's State apparatus has broken down, the easier the transfer of the source of livelihood, the tangible, visible and divisible soil, becomes; and the more secure is the peasants' position, provided that the soil will support them by simple methods of culture and each cultivator has learned to be self-subsistent.

In that kind of situation, the condition, that is, of primitive society, wealth and means of production, embodied as they are in cattle, agricultural tools, land, can be transferred by the simple process of overcoming physically the persons in possession of them. But everything is reversed when you come, say, to the problem of the workers on a railroad.

They cannot ensure the transfer of that wealth to themselves by dropping a bomb into the office of the chairman and board of directors, blowing them into the air and dividing the railroad among themselves, each man taking a bit of steel rail or a coal truck. If wages are to be paid to the workers at the end of the week, the railroad must continue to function. This does not mean merely that the workers must be in a position to take over administration and all the technical functions. There must be freight and passengers to carry—which means that the life and activity of the country as a whole must be going on as before. If links in the long chain are missing; if banking disorganization has compelled the creation of a revolutionary fiat money, or such inflation that higher nominal wages for the railway workers mean in fact much lower wages than before; if the confiscation of securities and the repudiation of loans (which the Communists insist must be "ruthless"—the more ruthless the better apparently) have so disorganized credit that in fact the purchase of American cotton or overseas foodstuffs cannot be

need a subject province or colony as a market, we must allow it economic and industrial development along modern lines. But that means an active self-conscious community with industrial populations, newspapers, parliaments, and very soon claims for self-government, the right to manage its own fiscal affairs, to impose tariffs against the metropolis: the story in fact of the British dominions. Military opinion even is unanimous in the view that you cannot "hold down" or occupy permanently a modern industrialized civilized state. And, to the degree to which you limit its development, you limit it as a market. You would then be asking it to cut your appendix, but refusing to give it any surgical instruments. That aspect will be more fully developed presently.

It is a fact in human nature, however (and upon that, too, something will be said later), that we only abandon coercion in favor of contract and coöperation to the degree to which we see that coercion won't work. We would all rather be the master and lay down the law than have to bargain and haggle on equal terms with an associate. Only to the degree to which we see the fallacies underlying the wide-spread, popular (and pretentious) philosophy which gives to anti-social instincts an appearance of realism or inevitability, shall we face the difficulties of coöperation, and turn from the way of destruction to the way of life.

In a previous chapter I have quoted, *ad nauseam*, numberless expressions taken from all spheres of political, literary and scientific activity, of this belief that war is the

financed; and manufacturing in consequence is so disorganized that foreign sales cannot be effected—then, in that case, there will not be freights to carry for the railroad, and the workers' "possession" of it avail exceedingly little. The wealth which is the source of life for them is not a material object to be taken by physical coercion from hands that now hold it (which is broadly the case of peasants taking a landlord's estate); it is a very complex process to be maintained, a constantly moving and shifting stream to be diverted from one direction to another, a stream that can only be controlled by the coördinated efforts of vast masses of men.

"ultimate struggle for life or bread," a contest of indefinitely increasing number of mouths in a definitely limited world. I suggest that all those expressions ignore certain obvious truths, particularly those relating to the fact of coöperation which differentiates man from plant and animal, in that the resources available for life are not for him fixed in quantity, but can be increased incalculably—in practice indefinitely—by his own activities, activities, however, which are impossible without the capacity to work with, instead of fighting with, his fellows.

In the territory where originally a few hundred thousand Indians found precarious livelihood, tribe fighting with tribe for the hunting grounds, there now live in great plenty a hundred million modern Americans. The Indian's failure to increase and flourish was not due to any refusal to fight, or that he did not know how to fight. He was fighting all the time, and was a magnificent fighter. The European who replaced him would equally have failed to make that territory support a hundred million people if what is now the American Union had split into hundreds of tribes—or even scores of nations. The European relatively succeeded where the Indian relatively failed, not because the former was more pugnacious, more warlike than the latter, but because the former knew better how to coöperate. History abounds with illustrations of this same fact. If we spend our energies fighting each other and not learning the art of coöperation, we starve. If we drop our quarrels the one with the other and learn how to join forces to secure the fruits of the earth, we flourish.

This means that man's ultimate struggle is not with man but with nature, which includes human nature. Broadly speaking, to the degree that man fights man, he becomes the victim of nature and outside circumstances; to the degree that man can combine his forces against the common enemy, he strengthens his chances of survival. It is in increasing the effectiveness of coöperation that we shall

find the key to this problem, not merely because coöperation provides the mechanism of wealth production but also because it sets up social habits, compels social behavior, teaches us to discipline anti-social impulses, which, indulged, must chain us as slaves to nature—to cold and drought, to disease and scarcity.

Struggle may be the law of survival in the case of man as elsewhere; but it is the struggle of man with the universe, not man with man.¹

If the human pack is riven by internecine struggle, then his fight is by that much less effective. "Dog does not eat dog." The pack which survives is the pack that has, on the whole, the greatest cohesion in facing its prey or its enemy. The prey of mankind is the earth; his enemy, error and wild nature.

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It is true that this does not tell the whole story, for it may be argued that force, compulsion, war, has often been a means of ensuring and widening the process of coöperation; the *pax romana* in the ancient world, like the *pax britannica*

¹ It is true that there are still scientists who argue that war is a process by which the fit survive. Yet what plainly is its selective process? The two sides carefully choose their best biological specimens and send them to kill each other off on the battlefield, the second best and the third best being left to carry on the race. To call this "the survival of the fit" is to play with words.

Nor do we eliminate the "lower" races (whoever they may be) by going to war with them.

When we overcome the "servile" races, far from eliminating them, we give them added chances of life by introducing order, etc., so that the lower human quality tends to be perpetuated by conquest of the higher. If ever it happens that the Asiatic races challenge the white in the industrial or military field, it will be in large part thanks to the work of race conservation, which has been the result of England's conquests in India, Egypt, and Asia generally, and her action in China when she imposed commercial contact on the Chinese by virtue of military power. Nor do the facts of the modern world lend any support to the theory that preparation for war under modern conditions tends to preserve virility, since those conditions involve an artificial barrack life, a highly mechanical training favorable to the destruction of initiative, and a mechanical uniformity and centralization of individuality.

in India, made possible a degree of coöperation that could never have been achieved without. It was because Egbert established a sovereignty of the seven kingdoms that something like relative peace was established between them.

Concerning this aspect of the question I shall have a word to say presently, especially as it involves crude confusion between the functions of the police and the function of armies and navies. Let us consider first how the general principles just outlined works in practice.

CHAPTER V

FOREIGN TRADE AND MILITARY POWER

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How do battleships capture trade? By what technique can a navy compel people to buy our goods if they have no money? The questions which are never answered. In what respect it is true to say that there is no such thing as "German" trade or "British" trade, or even international trade; there is only transnational trade between individuals. If we benefit by the extinction of foreigners what would happen if all were extinguished?)

A FEW more quotations from our popular political philosophers:

Why should Germany attack Britain? Because Germany and Britain are commercial and political rivals: because Germany covets the trade, the Colonies, and the Empire which Britain now possesses.... As to arbitration, limitation of armament, it does not require a very great effort of the imagination to enable us to see that proposal with German eyes. Were I a German, I should say: "These islanders are cool customers. They have fenced in all parts of the globe, they have bought or captured fortresses and ports in five continents, they have gained the lead in commerce, they have a virtual monopoly of the carrying trade of the world, they hold command of the seas, and now they propose that we shall be brothers, and that nobody shall fight or steal any more." (Robert Blatchford, *Germany and England*, pp. 4-13.)

Let us conceive of a decisive defeat of the British fleet, and that Great Britain be humbled from her proud position as mistress of the seas.... How long before Germany landed troops at Cape Town and Port Elizabeth? And how long before our American cousins discovered that it was the manifest destinies of Canada

and the West India Isles to become parts of the American Union? From every quarter of the globe the rats would gather to devour the dying carcase, and how would this affect British industry? The capture of our Australian trade by Japan, the capture of our Indian trade by Russia, the capture of our Canadian trade by America, an enormous war indemnity to pay off, and the markets in confusion. Ruined capitalists, silent factories and unemployed—that is the answer.

The teaching of all history is that commerce grows under the shadow of armed strength. Did we not fight with Dutch and French to capture the Indian trade? Did we not beat Dutch and French because we happened to be the strongest? Could we have beaten either Dutch or French but for the fact that we had gained command of the sea? (*The Struggle for Bread*, by A. Rifleman.)

If Germany were extinguished to-morrow, the day after to-morrow there is not an Englishman in the world who would not be the richer. Nations have fought for years over a city or right of succession. Must they not fight for two hundred and fifty million pounds of yearly commerce? (*Saturday Review*.)

Let us see.

All these authors, like the many quoted in Chapter II, say or imply that Germany is preparing to fight us in order to capture our trade.

But, for ten years or so now, our press has been full of the way in which Germans have been capturing our trade over the world: in the Far East, in the Near East; in Brazil, in Argentina; in Egypt, in our own Empire in India. Everywhere, relatively, German trade has been growing and ours relatively declining.

But Germany has no need to conquer us in order to do this: To the ranchers of the Argentine, to the coffee grower of Brazil, she offers cutlery and machinery which is cheaper or more attractive than ours and gets the order. Why does she need to sink our navy in order to continue the process? What has our navy to do with it one way or the other? How does our navy prevent her going on with this process? *How can it prevent her?*

Let us consider it from the other point of view. We don't like this process by which Germany is walking off with

our trade, so we will fight her and "extinguish" her, and "every Englishman in the world" will be richer for the extinction. It sounds glorious. But I want to know what it means.

"Extinction" for instance. Assume we have gone to war with Germany, or she with us; her navy has been sunk; she has to admit herself thoroughly beaten—"extinguished."

But sixty-five million people remain. Not extinguished at all. I don't suppose that even the Navy League proposes that we should, on the morrow of victory, proceed to butcher sixty-five million of men, women and children. One sees difficulties. I don't think Naval Officers—or our Tommies—would really like the job, however much encouraged by certain popular newspapers. So there the population would remain, the scientists, the engineers, the chemists, the workers hard at work as before—inventing new machinery, discovering new processes, learning new ways of doing things, cheaper ways of producing the things we produce, and offering those cheaper things as of yore to the Brazilian, the Turk, the Russian, the Scandinavian. What should we do about it—with our Navy?

"Bottle them up by maintaining a permanent blockade."

Well, let us examine that. Our Navy won't keep their trade out of Russia, Siberia, and thence into Asia; nor from Scandinavia; nor the Low Countries; nor from South Eastern Europe, even if it were possible, which we all know it would not be, to forbid the world's ships to enter German harbors. And it would not be a matter merely of blockading Germany. If Germany were not allowed to export goods direct, we know that in about a week there would be Dutch, Swedish, Danish, Greek, Turkish merchants handling German goods and exporting them, if necessary, as Dutch, Swedish, Danish, Belgian, French, Swiss, Italian, Spanish or Turkish goods to every corner of the world. Are we going to establish a new right of search for peacetime—the right to stop any ship of any nation on the high seas to

examine its cargo and decide whether the goods professing to be Dutch or Spanish or Italian are so in fact? Remember the mess in which even the temporary blockades of war time have landed us in the past; it is unlikely that even the Navy League would argue for this new law of the sea. If such a law were instituted, one of the very first results would be the transfer of most of the carrying trade of the world to non-British bottoms; to bring a cargo under British authority would be to subject it to risks of seizure on the ground of "enemy origin." So our shipping trade might have some things to say about the "bottling up" of Germany. But there are others. There is the coal trade which is bound up inextricably with shipping. Our carrying trade is largely dependent upon the fact that our coal exports make possible a two-way cargo. Destroy the shipping and much of our coal trade goes too. And then there is our export trade to Germany itself—about as great as that to Canada. Which reminds one that Canada sells a large part of her wheat to Germany, Australia her wool, India her jute. Is our "extinction" of Germany to include the extinction of that trade too? And if we propose to allow Canada to sell her wheat and Australia her wool, India her jute to Germany, how is Germany to find the money to pay for these products of British Dominions, if we forbid German exports? Gold? But all the gold in Germany would not pay for a single year's foreign purchases. And then? The trade—British trade, Canadian trade, Australian trade, Indian trade—must come to a full stop or Germany must be allowed to get money to pay for the wheat and wool and jute by the only way known to economic science—by selling something herself.

The reader explodes with impatience: no one proposes such preposterous nonsense as permanent peace blockades. I share the reader's irritations, but I am trying with such patience as may be to read some meaning into these words and phrases, bandied about so freely by journalists, by

authors of books on foreign policy, by our Navy men, by authorities like those I have quoted. Every one who discusses this subject tells us that, but for our Navy, our trade would disappear; that Germany proposes to "take" it by destroying our Navy; that we must prevent her; that, as part of the struggle for commercial survival, we must "extinguish" her by war. And I want to know how we should do it; what is the process; what the words mean: what is in the minds of those who use those words. They are employed usually with enormous assurance; with an air of "facing the real facts of the world," of being first and last realist, practical, definite. Yet immediately one asks work-a-day details, wants to know *how* the Navy is to be employed to promote trade, in what precise fashion we are to turn victory to commercial account, the explanations are never forthcoming.

We are allowed to infer that in some not clearly defined way a great Power can aid the trade of its nationals by the use of the prestige which a great navy and a great army bring, and by exercising bargaining powers in the matter of tariffs with other nations. But again the condition of the small nations in Europe gives the lie to this assumption.

It is evident that the foreigner does not buy our products and refuse Germany's because we have a larger navy. If one can imagine the representatives of a British and a German firm meeting in the office of a merchant in Argentina, or Brazil, or Bulgaria, or Finland, both of them selling cutlery, the German is not going to secure the order because he is able to show the Argentinian, or the Brazilian, or the Bulgarian, or the Finn that Germany has twelve *Dreadnoughts* and Great Britain only eight. The German will take the order if, on the whole, he can make a more advantageous offer to the prospective buyer, and for no other reason whatsoever, and the buyer will go to the merchant of any nation whatever, whether he be German, or Swiss, or Belgian, or British, irrespective of the armies

and navies which may lie behind the nationality of the seller. Nor does it appear that armies and navies weigh very much when it comes to a question of a tariff bargain. Switzerland wages a tariff war with Germany, and wins. The whole history of the trade of the small nations shows that the political prestige of the great ones gives them in the long run extremely little commercial advantage.

We continually talk as though our carrying trade were in some special sense the result of the growth of our great navy, but Norway has a carrying trade which, relatively to her population, is nearly three times as great as ours, and the same reasons which would make it impossible for a foreign nation to confiscate the gold reserve of the Bank of England would make it impossible for a foreign nation to confiscate British shipping on the morrow of a British naval defeat. In what way can our carrying trade or any other trade be said to depend upon military power?

If the statesmen of Europe would tell us *how* the military power of a great nation is used to advance the commercial interest of its citizens, would explain to us the *modus operandi*, and not refer to large and vague phrases about "exercising due weight in the councils of the nations," I might accept their philosophy. But until they do so we are surely justified in assuming that their political terminology is simply a survival—an inheritance from a state of things which has, in fact, passed away.

One writer implies that, on the morrow of Germany's defeat, "she" would disappear by being simply absorbed into her neighbors: a bit going to France, another to Denmark and so forth. And so "German" competition would be disposed of! The same factories would still function full blast, the same goods would still be turned out by the same hands, still be poured into the markets of the worlds, but they would not be "German"—they would be Danish, or French or Swiss. Is this really what we are going to fight for?

In the quotations at the head of this chapter is one from

a prophet who foresees as one result of the defeat of the British navy the "seizure" of Canada by the United States. At this moment, powerful groups in America are agitating for an increase in the American tariff in order to keep out the Canadian goods—all part, we are told, of the impending commercial struggle between America and the British Empire. Canadian goods injure "America." But, if what our prophet foresees as the result of the British naval defeat comes true, and Canada is annexed, then those Canadian goods will *not* be kept out. They will compete quite freely with American. If that competition were bad before the defeat of the British navy, why should it be good after? The purpose of power, we are told, is to oppose the competition of foreign nations; but in this case, by annexing Canada, the United States would be using its power to increase that competition.

The final test is one of progression. Trade is a struggle "to the death" of one nation with another. What other nations get, we lose. Foreigners are our rivals. So be it. Let us "extinguish" not merely Germany—an act which, we are told, would make all Englishmen the richer—but *all* foreigners. We should then be rich indeed. But should we? Half our population would starve to death. If we could by some magic "extinguish" all foreigners, our foreign trade would have completely disappeared, and then something like half our population would face literally and truly extinction by the simple process of starvation.

So obviously we cannot afford to "extinguish" all foreigners or all foreign nations. We need some—some who are solvent, have money to spend, and consequently are earning money, which they can only do in one way, by producing things. But, in that case, who are the "bad" foreigners we must "extinguish," and who the "good" that need to be preserved in order for us to have a foreign trade at all? How are we to distinguish between the customer and the rival?

Much of our confusion in this matter arises from the habit of treating each nation as a complete economic unit, as though nations were competing commercial corporations. No less a person than Admiral Mahan assures us that the struggle for territory between nations is justified economically, by the fact that, just as a steel trust has an advantage in owning its own ore fields, its stores of raw material, so a country has an advantage in owning colonies and conquered provinces. We see at once the idea: the nation is a commercial corporation, like a steel trust.

Well, of course, a moment's reflection shows us that the analogy is completely false; that these pictures of nations as rival units competing one against the other bear no sort of resemblance to the facts.

To begin with, the nations, except in so far as the carrying of letters and in some cases the manufacture of matches and tobacco, are concerned, are not normally commercial corporations at all, but political and administrative ones, with functions of a like kind to those possessed by our municipalities or counties (who may also at times become in a limited sense commercial or industrial concerns providing water, gas, electricity or trams). Germany no more competes with Britain than Birmingham does with Sheffield. It is not normally the State which owns and exploits the ore field, or farms or factories, in the way that the Steel Trust owns its sources of raw material. The State merely polices and guarantees possession to the real owners, the shareholders, who may be foreigners.

Take one of our biggest export trades—cotton. A trading corporation called "Britain" does not buy cotton from another corporation called "America." A manufacturer in Manchester strikes a bargain with a merchant in Louisiana in order to keep a bargain with a dyer in Germany, and three or a much larger number of parties enter into virtual, or perhaps actual contract, and form a mutually dependent economic community (numbering, it may be, with the work

people in the group of industries involved, some millions of individuals)—an economic entity, so far as one can exist which does not include all organized society. The special interests of such a community may become hostile to those of another community, but it will almost certainly not be a "national" one, but one of a like nature, say a shipping ring or groups of international banks or Stock Exchange speculators. The frontiers of such communities do not coincide with the areas in which operate the functions of the State. How could a State, say, Britain, act on behalf of an economic entity such as that just indicated? By pressure against America or Germany? But the community against which the British manufacturer, in this case, wants pressure exercised is not "America" or "Germany"—both Americans and Germans are his partners in the matter. He wants it exercised against the shipping ring or the speculators or the bankers who in part are British. If Britain injures America and Germany as a whole, she injures necessarily the economic entity which it was her object to protect.

We talk and think of "British" trade as competing with "German" trade. But, in fact, that is not the grouping at all. There is, properly speaking, no such thing as "British" trade or "German" trade in this sense. An ironmaster in Birmingham may have his trade taken away by the competition of an ironmaster in Essen, just as he may have it taken away by one in Glasgow, or Belfast, or Pittsburgh, but in the present condition of the division of labor in the world it would be about as true to speak of Britain suffering by the competition of Germany as it would be to talk of light-haired people suffering by the competition of the dark-haired people, or of the fact that those who live in houses with even numbers are being driven out of business by those who live in odd-numbered houses. Such delimitations do not mark the economic delimitations; the economic function cuts athwart them; the frontiers of the two do

not coincide; and though we may quite legitimately prefer to see a British house beat a German one in trade, that victory will not necessarily help our group as a whole against his group as a whole.

When we talk of "German" trade in the international field, what do we mean? Here is an ironmaster in Essen making locomotives for a light railway in an Argentine province (the capital for which has been subscribed in Paris)—which has become necessary because of the export of wool to Bradford, where the trade has developed owing to sales in the United States, due to high prices produced by the destruction of sheep-runs, owing to the agricultural development of the West. But for the money found in Paris (due, perhaps, to good crops in wine and olives, sold mainly in London and New York), and the wool needed by the Bradford manufacturer (who has found a market for blankets among miners in Montana, who are smelting copper for a cable to China, which is needed because the encouragement given to education by the Chinese Republic has caused Chinese newspapers to print cable news from Europe)—but for such factors as these, and a whole chain of equally interdependent ones throughout the world, the ironmaster in Essen would not have been able to sell his locomotives. How, therefore, can you describe it as part of the trade of "Germany" which is in competition with the trade of "Britain" or "France" or "America"? But for the British, French or American trade, it could not have existed at all. You may say that, if the Essen ironmaster could have been prevented from selling his locomotives, the trade would have gone to a British one. But this community of German workmen, called into existence by the Argentine trade, maintains by its consumption of coffee a plantation in Brazil, which buys its machinery in Sheffield. The destruction, therefore, of the Essen trade, while it might have given business to the British locomotive maker, would have taken it from, say, a British agricultural implement

maker. The economic interests involved sort themselves, irrespective of the national groupings.

Why, by the way, do we never hear Americans talking about the deadly competition of the trade of Massachusetts with that of Pennsylvania or New Jersey? If the original thirteen colonies had failed to "hang together" and those states had become separate nations, we *should* have heard about the way in which the advance of Pennsylvania was damaging the trade of New Jersey or *vice versa*, of the way in which nations compete with each other for trade. As already pointed out, American manufacturers complain bitterly betimes of the competition of Canada in certain fields, and lobby and agitate for a high tariff on Canadian goods, which they duly get. But, if Canada were annexed and became part of the Union, there would be no question of a tariff; we should hear nothing about the damage done to "American" trade and the throwing out of work of American workers in favor of foreigners. Yet the selfsame competition would exist: the same goods turned out in the same factories, by the same workmen, paying profits to the same owners, would still be purchased. But then we should not hear one word about it, and not a single American would be disturbed by the "competition of Canada."

It comes to this: we don't mind the competition if it is competition of our own countrymen; but we do if the competitors are foreigners. It is a matter, in other words, of political preference. But in any case how do battleships help?

The following correspondence, provoked by the first edition of this book, may throw light on some of the points dealt with in this chapter. A correspondent of *Public Opinion* criticized a part of the thesis here dealt with as a "series of half-truths," questioning as follows:

What is "natural wealth," and how can trade be carried on with it unless there are markets for it when worked? Would the writer maintain that markets cannot be permanently or seriously affected by military conquests, especially if conquest be followed by the imposition upon the vanquished of commercial conditions framed

in the interests of the victor? . . . Germany has derived, and continues to derive, great advantages from the most-favoured-nation clause which she compelled France to insert in the Treaty of Frankfurt. . . . Bismarck, it is true, underestimated the financial resilience of France, and was sorely disappointed when the French paid off the indemnity with such astonishing rapidity, and thus liberated themselves from the equally crushing burden of having to maintain the German army of occupation. He regretted not having demanded an indemnity twice as large. Germany would not repeat the mistake, and any country having the misfortune to be vanquished by her in future will be likely to find its commercial prosperity compromised for decades.

To which I replied:

Will your correspondent forgive my saying that while he talks of half-truths, the whole of this passage indicates the domination of that particular half-truth which lies at the bottom of the illusion with which my book deals?

What is a market? Your correspondent evidently conceives it as a place where things are sold. That is only half the truth. It is a place where things are bought and sold, and one operation is impossible without the other, and the notion that one nation can sell for ever and never buy is simply the theory of perpetual motion applied to economics; and international trade can no more be based upon perpetual motion than can engineering. As between economically highly-organized nations a customer must also be a competitor, a fact which bayonets cannot alter. To the extent to which they destroy him as a competitor, they destroy him, speaking generally, and largely as a customer.

The late Mr. Seddon conceived England as making her purchases with "a stream of golden sovereigns" flowing from a stock all the time getting smaller. That "practical" man, however, who so despised "mere theories," was himself the victim of a pure theory, and the picture which he conjured up from his inner consciousness has no existence in fact. Great Britain has hardly enough gold to pay one year's taxes, and if she paid for her imports in gold she would exhaust her stock in three months; and the process by which she really pays has been going on for sixty years. She is a buyer just as long as she is a seller, and if she is to afford a market to Germany she must procure the money wherewith to pay for Germany's goods by selling goods to Germany or elsewhere, and if that process of sale stops, Germany loses a market, not only the British market, but also those markets which depend in their turn upon Great Britain's capacity to buy—that is to say, to sell, for, again, the one operation is impossible without the other.

If your correspondent had had the whole process in his mind instead of half of it, I do not think that he would have written

the passages I have quoted. In his endorsement of the Bismarckian conception of political economy he evidently deems that one nation's gain is the measure of another nation's loss, and that nations live by robbing their neighbours in a lesser or greater degree. This is economics in the style of Tamerlane and the Red Indian, and, happily, has no relation to the real facts of modern commercial intercourse.

The conception of one-half of the case, only, dominates your correspondent's letter throughout. He says, "Germany has derived, and continues to derive, great advantage from the most-favoured-nation clause which she compelled France to insert in the Treaty of Frankfurt," which is quite true, but leaves out the other half of the truth, somewhat important to our discussion—viz., that France has also greatly benefited, in that the scope of fruitless tariff war has been by so much restricted.

A further illustration: Why should Germany have been sorely disappointed at France's rapid recovery? The German people are not going to be the richer for having a poor neighbour—on the contrary, they are going to be the poorer, and there is not an economist with a reputation to lose, whatever his views of fiscal policy, who would challenge this for a moment.

How would Germany impose upon a vanquished Britain commercial arrangements which would impoverish the vanquished and enrich the victor? By enforcing another Frankfurt treaty, by which English ports should be kept open to German goods? But that is precisely what British ports have been for sixty years, and Germany has not been obliged to wage a costly war to effect it. Would Germany close her own markets to our goods? But, again, that is precisely what she has done—again without war, and by a right which we never dream of challenging. How is war going to affect the question one way or another? I have been asking for a detailed answer to that question from European publicists and statesmen for the last ten years, and I have never yet been answered, save by much vagueness, much fine phrasing concerning commercial supremacy, a spirited foreign policy, national prestige, and much else, which no one seems able to define, but a real policy, a *modus operandi*, a balance-sheet which one can analyze, never. And until such is forthcoming I shall continue to believe that the whole thing is based upon an illusion.

The true test of fallacies of this kind is progression. Imagine Germany (as our Jingoese seem to dream of her) absolute master of Europe, and able to dictate any policy that she pleased. How would she treat such a European empire? By impoverishing its component parts? But that would be suicidal. Where would her big industrial population find their markets?¹ If she set out to

¹ See note concerning French colonial policy, pp. 146-47.

develop and enrich the component parts, these would become merely efficient competitors, and she need not have undertaken the costliest war of history to arrive at that result. This is the paradox, the futility of conquest—the great illusion which the history of our own empire so well illustrates. We “own” our Empire by allowing its component parts to develop themselves in their own way, and in view of their own ends, and all the empires which have pursued any other policy have only ended by impoverishing their own populations and falling to pieces.

Let us summarize as briefly as may be the most salient facts of Britain's economic position in relation to the rest of the world. I suggest they are these:

There are living on these islands at least twice as many people as their soil can support at any standard adequate to what we know as civilization. In the lifetime of the children now at school, our soil may be called upon to support a population of fifty, perhaps sixty, millions. When we have exhausted all the feasible possibilities of intensive culture, French gardening, State-aided emigration to the Colonies, and the rest, the obvious fact remains, that most of that population will only be able to live, as most of it lives today: by turning coal into bread, through the alchemy of foreign trade. That is to say, we must exchange our coal, or manufactures, or services based on it, for the surplus of raw material and food produced by foreigners.

The coal, manufactures, services, can only be a means of supporting this excess population (which is most of it) so long as the overseas world produces a surplus of food and raw materials over and above its own need, and is content to exchange it for the services we perform instead of performing those services itself. One of the main factors determining the value of our coal as a means of buying foreign food or material is the extent of the foreign surplus. If there were no surplus, if the productivity of the overseas world so fell that it had only enough for itself, we should offer our coal in vain. The foreigner would be too poor to furnish a market. Half our population would have to starve or emi-

grate. To the extent to which that surplus declines, food or material becomes more costly in terms of the things which we give for it.

A constant and steady overseas surplus (or, in other terms, a high general productivity) can only be assured if each area does that for which it is best fitted and exchanges the result. This means assured access by each nation to the raw materials of others, transport across political frontiers sufficiently unimpeded to secure large scale production in certain basic industries, reciprocal inviolability of commercial contract and immunity of property, a stable monetary and credit system.

The disintegration of this essentially international system is threatened mainly by political nationalism and its results in threatened war: the struggle of nations towards individual independence based on their isolated strength and economic self-sufficiency; the effort to make the political also the economic unit. The consequent failure to maintain the most economical division of labor not only reduces that surplus from which is derived the value of our coal as a means of buying food and raw material, but deprives us of our economic *raison d'être*: foreigners insist on being their own manufacturers.

We cannot ensure the stability of the present system by the political or military preponderance of our nation or alliance imposing its will on a rival. The factors enumerated above are of the kind that cannot be secured by physical coercion, which fails for a simple reason. If others are to pay or buy, they must actively produce, be, that is, economically strong, and in a position sooner or later to resist our coercion. If we make them weak, they cannot pay; if they are strong, they will pay what they deem fair or spend their money finding means to resist us. That is why, though preponderance of power can and generally does paralyze trade and production, it cannot ensure them.

CHAPTER VI

HOW COLONIES ARE OWNED



WE "own," we are told, a fifth of the world's surface, and a fourth of the world's population. Why, then, is the Chancellor of the Exchequer at his wit's end for a few millions for our social services? We do not "own" the Empire at all. So far as most of it is concerned, it has come to an end and has been transformed into a mere alliance of independent states. The paradox of "Empire"; Britain is in a worse position in regard to her own colonies than in regard to foreign nations—yet she is the most practical colonizer in history. Could Germany hope to do what England cannot do? Both Britain and Germany face severe economic problems; but the "Empire" does not give to Britain means of solution not available to Germany.¹

NATIONS fight each other for territory, bitterly, endlessly, to the exclusion of most other vital activities, because, in adding territory, it is assumed a nation adds wealth, the means of feeding and enriching its people.

During the Jubilee procession, an English beggar was heard to say:

¹ The reader will recall that *The Great Illusion* was written nearly twenty-five years before the passing of the Statute of Westminster by the British House of Commons, an Act which has crystallized into formal legislation the condition which had become a political fact at the time that this chapter was written, although at that time a largely unrecognized condition. I have deemed it worth while to republish this chapter because it is extremely doubtful whether the true facts about our "ownership" of "colonies" are yet fully realized. Certainly the full political significance affecting international relations is not recognized.

I own Australia, Canada, New Zealand, India, Burmah, and the Islands of the Far Pacific; and I am starving for want of a crust of bread. I am a citizen of the greatest Power of the modern world, and all people should bow to my greatness. And yesterday I cringed for alms to a negro savage, who repulsed me with disgust.

If we wanted to use our imperial power to "take" the wealth of our subject people in order to feed our own, is there any means by which we could do it?

Well, it will be said, there is emigration; our "beggar" might emigrate. The reply to which is that there is not a single British colony suitable for settlement by the northern races where a British subject from Britain may settle as of right; not one Dominion whose legislation has not deprived Britons of the right of unimpeded access to its territory. The British worker, as distinct from the possessor of capital, is more subject to restriction in entrance to Australia than he is in entrance to Argentina or Mexico. His labor is subject to restrictions as harassing as are the products of his labor. Nowhere do these words we use about "owning," about our "possessions," need more careful reconsideration than in their application to the modern kind of "Empire."

What are the facts? Great Britain is the most successful colonizing nation in the world, and the policy into which her experience has driven her is that outlined by Sir C. P. Lucas, one of the greatest authorities on colonial questions. He writes, speaking of the history of the British Colonies on the American continent, thus:

It was seen—but it might not have been seen had the United States not won their independence—that English colonists, like Greek Colonies of old, go out on terms of being equal, not subordinate, to those who are left behind; that when they have effectively planted another and a distant land, they must, within the widest limits, be left to rule themselves; that, whether they are right, or whether they are wrong—more, perhaps, when they are wrong than when they are right—they cannot be made amenable by force; that mutual good feeling, community of interest, and abstention from pressing rightful claims to their logical conclusion, can alone hold together a true Colonial Empire.

But what in the name of common sense would be for Germany the advantage of conquering them if the only policy is to let them do as they like, "whether they are right or whether they are wrong—more, perhaps, when they are wrong than when they are right"? And what would it avail to conquer them if they cannot be made amenable to force? Surely this makes the whole thing a *reductio ad absurdum*. Were a Power like Germany to use force to conquer Colonies, she would find out that they were not amenable to force, and that the only working policy was to let them do exactly as they did before she conquered them, and to allow them, if they chose—and many of the British Colonies do so choose—to treat the Mother Country absolutely as a foreign country.¹

There has recently been going on in Canada a discussion as to the position which that Dominion should hold with reference to the mother country in the event of war, and that discussion has made Canada's position quite plain. It has been summarized thus: "We must always be free to give or refuse support."²

Could a foreign nation say more? Mr. Asquith formally endorses this conception.³

This means that the British Empire is a loose alliance of independent Sovereign States, not even bound to help each other in case of war. The military alliance between Austria and Germany is far more stringent than the tie which unites for purposes of war the component parts of the British Empire.

¹ See note on this point in respect of Japan, p. 285.

² The Montreal *Presse*, March 27, 1909.

³ Speech, House of Commons, August 26, 1909. The New York papers of November 16, 1909, report the following from Sir Wilfrid Laurier in the Dominion Parliament during the debate on the Canadian Navy: "If now we have to organize a naval force, it is because we are growing as a nation—it is the penalty of being a nation. I know of no nation having a sea-coast of its own which has no navy, except Norway, but Norway will never tempt the invader. Canada has its coal-mines, its gold-mines, its wheat-fields, and its vast wealth may offer a temptation to the invader."

One critic, commenting on this, says:

Whatever language is used to describe this new movement of Imperial defence, it is virtually one more step towards complete national independence on the part of the Colonies. For not only will the consciousness of the assumption of this task of self-defence feed with new vigour the spirit of nationality, it will entail the further power of full control over foreign relations. This has already been virtually admitted in the case of Canada, now entitled to a determinant voice in all treaties or other engagements in which her interests are especially involved. The extension of this right to the other colonial nations may be taken as a matter of course. Home rule in national defence thus established reduces the Imperial connection to its thinnest terms.¹

Still more significant, perhaps, is the following emphatic declaration from Mr. Balfour himself. Speaking in London, on November 6, 1911, he said:

We depend as an Empire upon the co-operation of absolutely independent Parliaments. I am not talking as a lawyer; I am talking as a politician. I believe from a legal point of view that the British Parliament is supreme over the Parliament of Canada or Australasia or the Cape or South Africa, but in fact they are independent Parliaments, absolutely independent, and it is our business to recognize that and to frame the British Empire upon the co-operation of absolutely independent Parliaments.

Which means, of course, that Great Britain's position to Canada or Australia is just Great Britain's position with regard to any other independent State, that she has no more "ownership" of Australia than she has of Arkansas. Indeed, facts of very recent English history have established quite incontrovertibly this ridiculous paradox: we have more influence—that is to say, a freer opportunity of enforcing our point of view—with foreign nations than with our own

¹ The recent tariff negotiations between Canada and the United States were carried on direct between Ottawa and Washington, without the intervention of London. South Africa takes a like attitude. The *Volkstein* of July 10, 1911, says: "The Union constitution is in full accord with the principle that neutrality is permissible in the case of a war in which England and other independent States of the Empire are involved. . . . England, as well as South Africa, would best be served by South Africa's neutrality" (quoted in *Times*, July 11, 1911). Note the phrase "independent States of the Empire."

Colonies. Sir C. P. Lucas's statement that "whether they are right or whether they are wrong—still more, perhaps, when they are wrong," they must be left alone, necessarily means that our position with the Colonies is weaker than our position with foreign nations? In the present state of international feeling we should never dream of advocating that we submit to foreign nations when they are wrong. Recent history is illuminating on this point.

It is argued, I know, that much more than economics is involved: Pride, the preservation of British ideals in the world, the building up of communities where the British way of life, rather than an alien way, will rule.

Again, how far in the modern world can conquest achieve those ends? How far *has* it achieved those ends in our own more recent cases of Imperial expansion?

Take the conquest of the Boer republics.

What were the larger motives that pushed England into war with the Dutch Republics? To vindicate the supremacy of the British race in South Africa, to enforce British ideals as against Boer ideals, to secure the rights of British Indians and other British subjects, to protect the native against Boer oppression, to take the government of the country generally from a people whom, at that date, we were apt to describe as "inherently incapable of civilization." What, however, is the outcome of spending two hundred and fifty millions upon the accomplishment of these objects? The present Government of the Transvaal is in the hands of the Boer party.¹ Great Britain has achieved the union of South Africa

¹ The *World*, an Imperialist organ, puts it thus: "The electoral process of reversing the results of the war is completed in South Africa. By the result of last week's contests Mr. Merriman has secured a strong working majority in both Houses. The triumph of the Bond at Cape Town is no less sweeping than was that of Het Volk at Pretoria. The three territories upon which the future of the subcontinent depends are linked together under Boer supremacy...the future federated or uniformed system will be raised upon a Dutch basis. If this was what we wanted, we might have bought it cheaper than with two hundred and fifty millions of money and twenty thousand lives."

in which the Boer element is predominant. Britain has enforced against the British Indian in the Transvaal and Natal the same Boer regulations which were one of our grievances before the war, and the Houses of Parliament have just ratified an Act of Union in which the Boer attitude with reference to the native is codified and made permanent. Sir Charles Dilke, in the debate in the House of Commons on the South African Bill, made this quite clear. He said: "The old British principle in South Africa, as distinct from the Boer principle, in regard to the treatment of natives, was equal rights for all civilized men. At the beginning of the South African War the country was told that one of its main objects, and certainly that the one predominant factor in any treaty of peace, would be the assertion of the British principle as against the Boer principle. Now the Boer principle dominates throughout the whole of South Africa." Mr. Asquith, as representing the British Government, admitted that this was the case, and that "the opinion of this country is almost unanimous in objecting to the color bar in the Union Parliament." He went on to say that "the opinion of the British Government and the opinion of the British people must not be allowed to lead to any interference with a self-governing Colony." So that, having expended in the conquest of the Transvaal a greater sum than Germany exacted from France at the close of the Franco-Prussian War, Great Britain is unable to enforce upon the conquered people one of the very principles which the war was fought to vindicate.

A year or so since there was in London a deputation from the British Indians in the Transvaal pointing out that the regulations there deprive them of the ordinary rights of British citizens. The British Government informed them that, the Transvaal being a self-governing Colony, the Imperial Government can do nothing for them.¹ Now, it

¹ A Bill has been introduced into the Indian Legislative Council enabling the Government to prohibit emigration to any country where

will not be forgotten that, at a time when we were quarrelling with Paul Krüger, one of the liveliest of our grievances was the treatment of British Indians. Having conquered Krüger, and now "owning" his country, do we ourselves act as we were trying to compel Paul Krüger as a foreign ruler to act? We do not. We (or rather the responsible Government of the Colony, with whom we dare not interfere, although we were ready enough to make representations to Krüger) simply and purely enforce his own regulations. Moreover, Australia and British Columbia have since taken the view with reference to British Indians which President Krüger took, and which view we made part of the *casus belli*. So the process is this: The Government of a foreign territory does something which we ask it to cease doing. The refusal of the foreign Government constitutes a *casus belli*. We fight, we conquer, and the territory in question becomes one of our Colonies, and we allow the Government of that Colony to continue doing the very thing which constituted, in the case of a foreign nation, a *casus belli*. What did we undertake the war of conquest for? Do we not arrive, therefore, at the absurdity I have already indicated—that we are in a worse position to enforce our views in our own territory—that is to say, in our Colonies—than in foreign territory? Would we submit tamely if a foreign Government should exercise permanently gross oppression on an important section of our citizens? Certainly we should not. But when the Government exercising that oppression happens to be the Government of our own Colonies we do nothing, and a great British authority lays it down that, even more when the Colonial Government is wrong than when it is right, must we do nothing, and that, though wrong, the Colonial Government cannot be amenable to

the treatment accorded to British Indian subjects was not such as met with the approval of the Governor-General. "As just treatment for free Indians has not been secured," says the *Times*, "prohibition will undoubtedly be applied against Natal unless the position of free Indians there is ameliorated."

force. Nor can it be said that Crown Colonies differ essentially in this matter from self-governing Colonies. Not only is there an irresistible tendency for Crown Colonies to acquire the practical rights of self-governing Colonies, but it has become a practical impossibility to disregard their special interests.

It may be pleaded that Germany might, on the morrow of conquest, attempt to enforce a policy which gave her a material advantage in the Colonies, such as Spain and Portugal attempted to create for themselves. But in that case, is it likely that Germany, without colonial experience, would be able to carry out a policy which Great Britain was obliged to abandon a hundred years ago? If Great Britain has been utterly unable to maintain a policy by which the Colonies shall pay anything resembling tribute to the Mother Country, is it imaginable that Germany, without experience, and at an enormous disadvantage in the matter of language, tradition, racial tie, and the rest, would be able to succeed where we had failed?

For, of course, no one pretends that the present system of British Colony-holding is due to British philanthropy or high-mindedness. It is due to the fact that the older system of exploitation by monopoly broke down. It was a complete social, commercial, and political failure long before it was abolished by law. If Great Britain had persisted in the use of force to impose a disadvantageous situation on the Colonies, she would have followed in the trail of Spain, Portugal, and France, and she would have lost her Colonies, and her empire would have broken up.

It took England anything from two to three centuries to learn the real colonial policy, but it would not take so long in our day for a conqueror to realize the only situation possible between one great community and another. European history, indeed, has recently furnished a striking illustration of how the forces which compel Britain to adopt the attitude which she has towards her Colonies are opera-

tive, even in the case of quite small Colonies which could not be termed "great communities." Under the Méline régime in France, less than twenty years ago, a highly Protectionist policy, somewhat corresponding to the old English colonial monopoly system, was enforced in the case of certain French Colonies. None of these Colonies was very considerable—indeed, they were all quite small—and yet the forces which they represented have sufficed to change at least in some degree the attitude of the French Government in the matter of the policy which less than twenty years ago was imposed on them. In *Le Temps* of April 5, 1911, appeared the following:

Our Colonies can consider yesterday a red-letter day. The debate in the Chamber gives hope that the stifling fiscal policy imposed on them heretofore is about to be very greatly modified. The Tariff Commission of the Chamber has hitherto been a very citadel of the blindest type of Protectionism in this matter. M. Thierry is the present President of this Commission, and yet it is from him that we learn that a new era in the Colonies is about to be inaugurated. It is a very great change, and one that may have incalculable consequences in the future development of our Colonial Empire.

The Customs Law of 1892 committed two injustices with regard to our possessions. The first was that it obliged the Colonies to receive free of duty goods coming from France, while it taxed colonial goods coming into France. Now, it is impossible to imagine a treaty of that kind being passed between two free countries, and if it was passed with the Colonies, it was because these Colonies were weak, and not in the position to defend themselves *vis-à-vis* the Mother Country.... The Minister of the Colonies himself, animated by a newer and better spirit, which we are so happy to see appear in our treatment of colonial questions, has promised to give all his efforts towards terminating the present bad system.

A further defect of the law of 1892 is that all the Colonies have been subjected to the same fiscal arrangement, as though there could be anything in common between countries separated by the width of the whole globe. Happily the policy was too outrageous ever to be put into full execution. Certain of our African Colonies were tied by international treaties at the time that the law was voted, so that the Government was compelled to make exceptions. But Monsieur Méline's idea at this period was to bring all the Colonies under one fiscal arrangement imposed by the Mother

Country, just so soon as the international treaty should have expired. The exceptions have thus furnished a most useful demonstration as to the results which flow from the two systems; the fiscal policy imposed by the Mother Country in view merely of its own immediate interest, and the fiscal policy framed to some extent by the Colony in view of its own special interests. Well, what is the result? It is this. That those Colonies which have been free to frame their own fiscal policy have enjoyed undeniable prosperity, while those which have been obliged to submit to the policy imposed by another country have been sinking into a condition of veritable ruin; they are faced by positive disaster. Only one conclusion is possible. Each Colony must be free to make those arrangements which in its view are suited to its local conditions. That is not at all what M. Méline desired, but it is what experience imposes. . . . It is not merely a matter of injustice. Our policy has been absurd. What is it that France desires in her Colonies? An addition of wealth and power to the Mother Country. But if we compel the Colonies to submit to disadvantageous fiscal arrangements, which result in their poverty, how can they possibly be a source of wealth and power to the Mother Country? A Colony which can sell nothing is a Colony which can buy nothing: it is a customer lost to French industry.

Every feature of the foregoing is significant and pregnant: this change of policy is not taking place because France is unable to impose force—she is perfectly able to do so; speaking in practical terms, the Colonies have no physical force whatever to oppose to her. This change is taking place because the imposition of force, even when completely successful and unchallenged, is economically futile. The object at which France is striving can be obtained in one way only: by an arrangement which is mutually advantageous, arrived at by the free consent of both parties, the establishment of a relationship which places a Colony fiscally, economically, on the footing of a foreign country. France is now in process of doing exactly what Great Britain has done in the case of Colonies: she is undoing the work of conquest, because force fails of its object.¹

¹ It is a little encouraging, perhaps, for those of us who are doing what we may towards the dissemination of saner ideas, that an early edition of this book seems to have played some part in bringing about the change in French colonial policy here indicated. The French Colonial Minister on two or three occasions called pointed attention to the first

So little is the real relationship of modern Colonies understood that I have heard it mentioned in private conversation by an English public man, whose position was such, moreover, as to enable him to give very great effect to his opinion, that one of the motives pushing Germany to war was the projected capture of South Africa, in order to seize the gold-mines, and by means of a tax of 50 per cent on their output, secure for herself one of the chief sources of gold in the world.

One heard a good deal at the outbreak of the South African War of the part that the gold-mines played in precipitating that conflict. Alike in England and on the Continent, it was generally assumed that Great Britain was "after the gold-mines." A long correspondence took place in the *Times* as to the real value of the mines, and speculation as to the amount of money which it was worth Great Britain's while to spend in their "capture." Well, now that England has won the war, how many gold-mines has she captured? In other words, how many shares in the gold-mines does the British Government hold? How many mines have been transferred from their then owners to the British Government as the result of British victory? How much tribute does the Government of Westminster exact as the result of investing two hundred and fifty millions in the enterprise?

The fact is, of course, that the British Government does not hold a pennyworth of the property. The mines belong to the shareholders and to no one else, and in the conditions of the modern world it would not be profitable if indeed possible for a Government to "capture" such property as the result of a war of conquest.

Furthermore, and this is in fact the chief point, the *po-*

French edition of this book. In the official report of the Colonial Budget for 1911, a large part of this chapter is reprinted. In the Senate (see *Journal Officiel de la République Française*, July 2, 1911) the Rapporteur again quoted from this book at length, and devoted a great part of his speech towards emphasizing the thesis here exposed. (Note of the 1912 Edition.)

litical control of the area containing one of the great sources of the world's gold is in process of passing out of the hands of Britain. There is happening in South Africa what has already happened in Canada and Australia: political independence. A little while and the Act of the British House of Commons will no longer have validity in South Africa. "British" control of the gold mines will in fact have passed. Britain will have surrendered control as completely and absolutely as though some foreign power had "conquered" the mines.

Is it not time that we stopped using words which persistently blind us to the simplest and most elementary facts of the case? And have not we, of all people of the world, a most direct interest in aiding the general realization of these truths in Europe? Would not that general realization add immensely to the security of those nations which we call "the British Empire"?

Our present misleading terminology sets up the impression that Britain, by being early in the field of imperial conquest, has solved problems of expansion and outlets for trade which are still unsolved for Germany and other less fortunate states. But that is to falsify the real situation. Germany faces difficulties of expansion—of markets and means of prosperity. But Britain faces similar difficulties, and to imply that Britain, by virtue of "possession" of empire, has means of solution not open to Germany is a gross distortion of the facts. Germany's case differs very much less from that of Britain than the misleading terminology we use would lead us to suppose.

Britain, Germans have so often told me, has a "vast empire" providing a market for her industries and an outlet for her redundant population. Britain has no such thing. More and more, British trade is being shut out by the tariffs of colonies determined to become their own manufacturers. The problem of hostile Dominion tariffs is as severe an one for our industry as are the tariffs of foreign coun-

tries, the preferences notwithstanding. Foreigners simply don't believe this. I have known educated Germans, in German universities, flatly deny that the Dominions are fiscally autonomous, and point out Privy Council decisions which "prove" that Britain preserves the right to veto. This, of course, is just learned nonsense, as Mr. Balfour has so rightly pointed out. The Dominions are supreme in the matter of imposing their tariffs, and the Empire as a preserve for the trade of the Mother Country has come to an end; the imperial method of preserving trade has broken down. If this were realized, it might also be realized that the situation as painted by Germans (and by many British) of Britain in a brilliantly favorable position, having collared all the plums, while Germany is left out in the cold with nothing to eat, is a mere fantasy having little relation to the facts. The fact is that both nations have to meet, in the problem of finding work for increasing populations, the same kind of difficulty and pretty much the same degree of difficulty. It is not a problem which can be solved along "imperial" lines at all, by the conquest of territory, that is, but by extending and rendering secure that characteristically modern process by which an industrial state is able to feed its population by the exploitation of territory, which it does not own nor politically control.

In the midst of the diplomatic alarms of 1911, I tried to indicate the real relationship of the political struggles to the real economic needs of nations in these terms:

For months, those in the secrets of the chancelleries have spoken with bated breath—as though in the presence of some vision of Armageddon. On the strength of this mere talk of war by the three nations, vast commercial interests have been embarrassed, fortunes have been lost and won on the Bourses, banks have suspended payment, some thousands have been ruined; while the fact that the fourth and fifth nations have actually gone to war has raised all sorts of

further possibilities of conflict, not alone in Europe, but in Asia, with remoter danger of religious fanaticism and all its sequelæ. International bitterness and suspicion in general have been intensified, and the one certain result of the whole thing is that immense burdens will be added in the shape of further taxation for armaments to the already heavy ones carried by the five or six nations concerned. For two or three hundred millions of people in Europe, life, which with all the problems of high prices, labor wars, unsolved social difficulties, is none too easy as it is, will be made harder still.

The needs, therefore, that can have provoked a conflict of these dimensions must be "primordial" indeed. In fact one authority assures us that what we have seen going on is "the struggle for life among men"—that struggle which has its parallel in the whole of sentient existence.

Well, I put it to you, as a matter worth just a moment or two of consideration, that this conflict is about nothing of the sort; that it is about a perfectly futile matter, one which the immense majority of the German, English, French, Italian, and Turkish people could afford to treat with the completest indifference. For, to the vast majority of these 250,000,000 people more or less, it does not matter two straws whether Morocco or some vague African swamp near the Equator is administered by German, French, Italian, or Turkish officials, so long as it is well administered. Or rather one should go further: if French, German, or Italian colonization of the past is any guide, the nation which wins in the conquest for territory of this sort has added a wealth-draining incubus.

This, of course, is preposterous; I am losing sight of the need for making provision for the future expansion of the race, for each party to "find its place in the sun"; and heaven knows what.

Let us see.

France has got a new empire, we are told; she has won

a great victory; she is growing and expanding and is richer by something which her rivals are the poorer for not having.

Let us assume that she makes the same success of Morocco that she has made of her other possessions, of, say, Tunis, which represents one of the most successful of those operations of colonial expansion which have marked her history during the last forty years. What has been the precise effect on French prosperity?

In thirty years, at a cost of many million sterling (it is part of successful colonial administration in France never to let it be known what the colonies really cost), France has founded in Tunis a colony, in which today there are, excluding soldiers and officials, about 25,000 genuine French colonists; just the number by which the French population in France—the real France—is diminishing every year! And the value of Tunis as a market does not even amount to the sum which France spends directly on its occupation and administration, to say nothing of the indirect extension of military burden which its conquest involved; and, of course, the market which it represents would still exist in some form, though England—or even Germany—administered the country.

In other words, France loses every year in her home population a colony equivalent to Tunis—if we measure colonies in terms of communities made up of the race which has sprung from the Mother Country. And yet, if once in a generation her rulers and diplomats can point to 25,000 Frenchmen living artificially and exotically under conditions which must in the long run be inimical to their race, it is pointed to as “expansion” and as evidence that France is maintaining her position as a Great Power. In a few years, as history goes, unless there is some complete change in tendencies which at present seem as strong as ever, the French race as we know it will have ceased to exist, swamped without the firing, maybe, of a single shot, by

the Germans, Belgians, English, Italians, and Jews. There are today in France more Germans than there are Frenchmen in all the colonies that France has acquired in the last half-century, and German trade with France outweighs enormously the trade of France with all French colonies. France is today a better colony for the Germans than they could make of any exotic colony which France owns.

"They *tell* me," said a French Deputy recently (in a not quite original *mot*), "that the Germans are at Agadir. I *know* they are in the Champs-Élysées." Which, of course, is in reality a much more serious matter.

And on the other side we are to assume that Germany has during the period of France's expansion—since the war—not expanded at all. That she has been throttled and cramped—that she has not had her place in the sun; and that is why she must fight for it and endanger the security of her neighbors.

Well, I put it to you again that all this in reality is false: that Germany has not been cramped or throttled; that, on the contrary, as we recognize when we get away from the mirage of the map, her expansion has been the wonder of the world. She has added twenty millions to her population—one-half the present population of France—during a period in which the French population has actually diminished. Of all the nations in Europe, she has cut the biggest swath in the development of world trade, industry, and influence. Despite the fact that she has not "expanded" in the sense of mere political dominion, a proportion of her population, equivalent to the white population of the whole Colonial British Empire, make their living, or the best part of it, from the development and exploitation of territory outside her borders. These facts are not new, they have been made the text of thousands of political sermons preached in England itself during the last few years; but one side of their significance seems to have been missed.

We get, then, this: On the one side a nation extending enormously its political dominion, and yet diminishing in national force—if by national force we mean the growth of a sturdy, enterprising, vigorous people. (I am not denying that France is both wealthy and comfortable, to a greater degree it may be than her rival; but that is another story.) On the other side, we get immense expansion expressed in terms of those things—a growing and vigorous population, and the possibility of feeding them—and yet the political dominion, speaking practically, has hardly been extended at all.

Such a condition of things, if the common jargon of high politics means anything, is preposterous. It takes nearly all meaning out of most that we hear about “primordial needs” and the rest of it.

As a matter of fact, we touch here one of the confusions which arise from the power of words.

When one nation, say Great Britain, occupies a territory, does it mean that that territory is “lost” to Germans? We know this to be an absurdity. Germany does an enormous and increasing trade with the territory that has been pre-empted by the Anglo-Saxon race. Millions of Germans in Germany gain their livelihood by virtue of German enterprise and German industry in Anglo-Saxon countries—indeed, it is the bitter and growing complaint of Englishmen that they are being driven out of these territories by the Germans; that where originally British shipping was universal in the East,¹ German shipping is now coming to occupy the prominent place; that the trade of whole territories which Englishmen originally had to themselves is now being captured by Germans, and this not merely where the fiscal arrangements are more or less under the control of the British Government, as in the

¹ A correspondent sends me some interesting and significant details of the rapid strides made by Germany in Egypt. During the years 1897-1907, German residents in Egypt have increased by 44 per cent., while British residents have increased by only 5 per cent. Germany's share of the Egyptian imports during the period 1900-1904 was £688,776, but by 1909 this figure reached £1,157,271. The latest German undertaking in Egypt is the foundation of the Egyptische Hypotheken Bank, in which all the principal joint stock banks of Germany are interested. Its capital is to be £500,000, and the six directors include three Germans, one Austrian, and two Italians.

Crown Colonies, but in those territories originally British, like the United States, but now independent, as well as in those territories like Australia and Canada which are in reality independent though nominally still under British control.

It is the case with every modern nation actually that the outside territories which it exploits most successfully are precisely those of which it does not "own" a foot. Even with the most characteristically colonial of all—Great Britain—the greater part of her overseas trade is done with countries which she makes no attempt to "own," control, coerce, or dominate—and incidentally she has ceased to do any of those things with her colonies.

Millions of Germans in Prussia and Westphalia derive profit or make their living out of countries to which their political dominion in no way extends. The modern German exploits South America by remaining at home. Where, forsaking this principle, he attempts to work through political power, he approaches futility. German colonies are colonies *pour rire*. The Government has to bribe Germans to go to them; her trade with them is microscopic; and if the twenty millions who have been added to Germany's population since the war had to depend on their country's political conquest, they would have had to starve. What feeds them are countries which Germany has never "owned," and never hopes to "own": Brazil, Argentina, the United States, India, Australia, Canada, Russia, France, and Great Britain. (Germany, which never spent a mark on its political conquest, today draws more tribute from South America than does Spain, which has poured out mountains of treasure and oceans of blood in its conquest.) These are Germany's real colonies. Yet the immense interests which they represent, of really primordial concern to Germany, without which so many of her people would be actually without food, are for the diplomats and the soldiers quite secondary ones; the immense trade which they represent owes nothing to the diplomat, to Agadir

incidents, to *Dreadnoughts*: it is the unaided work of the merchant and the manufacturer. All this diplomatic and military conflict and rivalry, this waste of wealth, the unspeakable foulness which Tripoli is revealing, are reserved for things which both sides to the quarrel could sacrifice, not merely without loss, but with profit. And Italy, whose statesmen have been faithful to all the old "axioms" (Heaven save the mark!) will discover it rapidly enough. Even her defenders are ceasing now to urge that she can possibly derive any real benefit from this colossal ineptitude.

Is it not time that the man in the street—verily, I believe, less deluded by diplomatic jargon than his betters, less the slave of an obsolete phraseology—insisted that the experts in the high places acquired some sense of the reality of things, of proportions, some sense of figures, a little knowledge of industrial history, of the real processes of human coöperation?

During the last half century, more Germans have gone to the United States than Britains have gone to British colonies. It is true, indeed, that these Germans do not live under their flag, but it is equally true that many at least do not regret that fact. Evidence would seem to show that the majority of German emigrants do not desire that the land to which they go shall have the political character of the land which they leave behind. The fact that, in adopting the United States, they have shed something of the German tradition and created a new national type, partaking in part of the British and in part of the German, is, on the whole, perhaps very much to their advantage—and incidentally to ours.

True, there is nationalist pride which these considerations do not cover.

A German will shout patriotically, and risk embroiling his country in a war, for an equatorial or Asiatic colony; though, if and when he and his family have to emigrate

(something which demands more serious thought than applause for some chauvinist explosion does), he does not choose Equatorial Africa or China; he goes to the United States, which he knows to be a far better colony in which to make his home than the Cameroons or Kiau Chau could ever be. Indeed, in our own case, are not certain foreign countries much more of real colonies for our children of the future than certain territory under our own flag? Will not our children find better and more congenial conditions, more readily build real homes, in Pennsylvania, which is "foreign," than in Bombay, which is "British"?¹

Of course, if by sheer military conquest it were possible to turn a United States or even a Canada into a real Germany—of German language, law, literature—the matter would assume another aspect. But the facts dealt with in the last chapter show that the day is past for conquest in that form. Quite other means must be employed. The German conqueror of the future would have to say with Napoleon, "I come too late. The nations are too firmly set." Even when the English, the greatest colonizers of the

¹ According to a recent estimate, the Germans in Brazil now number some four hundred thousand, the great majority being settled in the southern states of Rio Grande do Sul, Paraná, and Santa Catharina, while a small number are found in Sao Paulo and Espirito Santo in the north. This population is, for the most part, the result of natural increase, for of late years emigration thither has greatly declined.

In Near Asia, too, German colonization is by no means of recent origin. There are in Transcaucasia agricultural settlements established by Württemberg farmers, whose descendants in the third generation live in their own villages and still speak their native language. In Palestine, there are the German Templar colonies on the coast, which have prospered so well as to excite the resentment of the natives.

Writing recently of "Home Sickness among the Emigrants" (the *World*, July 19, 1910), Mr. Afialo says:

"The Germans are, of all nations, the least troubled with this weakness. Though far more warmly attached to the hearth than their neighbours across the Rhine, they feel exile less. Their one idea is to evade conscription, and this offers to all continental nations a compensation for exile which to the Englishman means nothing. I remember a colony of German fishermen on Lake Tahoe, the loveliest water in California, where the pines of the Sierra Nevada must have vividly recalled their native Harz. Yet they rejoiced in the freedom of their adopted country, and never knew a moment's regret for the Fatherland.

world, conquer a territory like the Transvaal or the Orange Free State, they have no resort, having conquered it, but to allow its own law, its own literature, its own language to have free play, just as though the conquest had never taken place. This was even the case with Quebec more than one hundred years ago, and Germany will have to be guided by a like rule. On the morrow of conquest she would have to proceed to establish her real ascendancy by other than military means—a thing she is free to do today, if she can. It cannot throughout this discussion be too often repeated that the world has been modified, and that what was possible to the Canaanites or the Romans, or even to the Normans, is no longer possible to us. The edict can no longer go forth to "slay every male child" that is born into the conquered territory, in order that the race may be exterminated. Conquest in this sense is impossible. The most marvelous colonial history in the world—British colonial history—demonstrates that in this field physical force is no longer of avail.

If we could free ourselves of the hypnotizing effect of this "mirage of the map," we should abandon these futile struggles, which, even when successful, do not solve any real problem, and liberate our common power to handle the real needs of an expanding population, our real problem.

For the modern world does face a population problem, and one in which force may well have to play a rôle—a rôle to be indicated in a further chapter.

CHAPTER VII

THE INDEMNITY FUTILITY¹

*

WHAT is the real profit of a nation from an indemnity? How a person differs from a State. An old illusion as to gold and wealth. What happened in 1870. Germany and France in the decade 1870-1880. Bismarck's testimony.

IN politics it is unfortunately true that ten sovereigns which can be seen, bulk more largely in the public mind than a million which happen to be out of sight but are none the less real. Thus, however clearly the wastefulness of war and the impossibility of effecting by its means any permanent economic or social advantage for the conqueror may be shown, the fact that Germany was able to exact an indemnity of two hundred millions sterling from France at the close of the war of 1870-71 is taken as conclusive evidence that a nation can "make money by war."

A very prominent English public man, pushed recently

¹ This Chapter is reprinted word for word exactly as it appeared in the 1910 Edition of *The Great Illusion*, not with any hope that in this form it can add anything of value to the mountain of economic literature on the subject of Reparations which has grown up since the war, but rather as a reminder that what now looks self-evident and commonplace was rejected in 1910 by every economist who troubled to discuss the matter, as preposterous nonsense. See note p. 14.

It will now strike the reader as hackneyed and jejune. The public man here referred to was Lord Northcliffe, whose papers at the time were printing livid stories of the coming invasion of Britain by the Germans. The conversation arose out of a question from myself as to what he supposed the Germans would do when they got here.

in private conversation to show an adequate motive for Germany's aggression upon England, urged seriously that Germany would fight simply to make money; that she made money out of Austria, and again out of France, and that she would fight England for the sake of a thousand million indemnity.

In reply to such a plea, it would, of course, be easy to establish a balance-sheet, putting on the debit side some such list as the following: the cost of war preparation during the years that precede a conflict; the disorder and ruin which war itself causes; the killing and disablement of a large number of a nation's sturdiest citizens (sturdiest because selected, so that war constitutes the elimination, not of the unfit but of the fittest); the corresponding losses which limit the subsequent purchasing power of the defeated nation and which consequently react in the shape of lost markets on the conqueror; the subsequent burden which even victory entails—that is to say, the preventive measures to be taken against a *guerre de revanche*; the increase of force which it is necessary to maintain against the enmity entailed in general politics by the efforts and intrigues of the vanquished; and, in addition to all this, the check in normal social progress which the militarization following upon war always involves, a setback which is shown in the case of Germany by the fact that she alone of the great States is faced by grave difficulties due to the survival of sheer feudalism, difficulties which are none the less great because they are in the eyes of Europe generally for the moment obscured by theatrical industrial success in foreign markets, and which are reflected by the growing powers of the progressive parties, which, as every educated German knows, cannot for ever be held at bay by sheer domination of Prussian autocracy. As against all this, an indemnity, even of a thousand million, would make the proposition very bad business indeed. On such a balance-sheet being roughly indicated, however, the public man in

question immediately retorted by declaring that, so far as Germany is concerned, much of the cost has already been incurred and cannot be recovered, and must consequently be paid whether she fight or not. It is worth considering, therefore, whether in the circumstances of present-day politics an actual transfer of a thousand millions' worth of wealth from one nation to another is either possible, or, in the terms of predominant political economy, desirable from the point of view of those who are to receive it.

Let it be said at once that there is nothing theoretically impossible in England's paying an indemnity of a thousand million sterling (or more), provided that time were given, and provided that the German Government were prepared to see German trade and finance suffer to a greater extent probably than a thousand million, owing to the very grave embarrassment which would certainly affect a whole series of German trades by the withdrawal of English credit and English cheap money. It is impossible to give figures even approximately, but when it is remembered that the highly organized German industries exist mainly on a basis of borrowed money (which is, as we have seen in the last report, largely English money), and that greatly increased banking charges would simply and purely wipe out the very small margin of profit on which so much of German trade is done, it is easy to realize that a thousand millions paid to the Government would not seem a very brilliant compensation to the German manufacturer who had foundered in a welter of financial instability and high bank rate throughout Europe which the withdrawal of such a sum from London would infallibly cause. For—and this is a capital factor in the whole matter—the situation would not be at all parallel to that which followed the Franco-Prussian War. German trade in 1870 was not in any way dependent upon French money—dependent, that is, upon being able to secure French credit; whereas, as we have seen, German trade in 1910 is in a very special sense de-

pendent upon English money and the facilities of English credit. And all this is assuming—a very large assumption indeed—that the thousand millions, or any part of it, would remain as booty after the payment of expenses of the war, repairing damage caused by the war, and providing against future hostility. If a war against a handful of farmers, without so much as a gunboat to their name, cost Great Britain a quarter of the sum in question, it is a little difficult to see how the actual cost of a war against the greatest Empire of history, with the greatest fleet of history, with the greatest naval traditions of history behind it, is going to leave much change out of a thousand millions—in any case, not enough to make attack worth a Government's while as a business proposition. Yet the public man who defended this thesis was described by a London morning newspaper as the "most influential man in England, whether we like it or not." And if such a one talk in this strain, what sense of proportion in these matters can we expect from the mere man in the street?

Let us make in this matter, however, the largest assumption of all—that the entire sum becomes available for the German people as a whole.

Would it be possible for them really to profit by it?

I said just now that there is nothing inherently impossible—or, indeed, any great difficulty—in England's paying an indemnity of a thousand millions. But in the present state of national fiscal policies, it is as certain as anything well could be that it would be impossible for the German people to receive anything more than a fraction of it, even though none of it were stopped *en route* for expenditure arising out of the war. *According to the economic doctrine now most in favor in Germany, and coming to be most in favor in England, German prosperity would suffer more by receiving this money than would English by paying it.* That this fact has never been brought into relief shows how little real attention the subject has received.

Notwithstanding that political economy is not a simple but a very complex subject, notwithstanding that the analogy as between an individual and a nation is always breaking down, it is accepted offhand that it is as simple a matter to enrich a nation by paying over a sum of money like a thousand millions in gold as it would be to enrich an individual. Yet the most summary examination shows that the two cases do not in any way go on all-fours. In this, as in so many matters in the domain of politics, the influence of mere words and metaphors—words which are generally inaccurate and metaphors which mislead—coupled with the sheer indolent inattention of the “average sensual man,” have caused us to accept without doubt or question as absolutely identical in results an operation which the common facts of workaday politics render absolutely different.

What is this difference as between the transfer of wealth from one individual to another, and from one nation to another?

If Jones, the individual, could by any means whatsoever induce his tradesmen to supply him with bread, meat, wine, clothes, and motor cars for nothing, Jones would be completely satisfied, and there would never enter his mind for an instant that such was not a completely ideal arrangement.

But suppose that Jones is the Protectionist State of Jonesonia, is the matter in any way the same? Suppose that this Protectionist State were receiving its meat, bread, wine, clothes, and motor cars from other countries for nothing, or even nearly nothing, what would the butchers, farmers, bakers, tailors, and motor car makers of Jonesonia have to say? Do we not know that there would be such a howl about the ruin of home industry that no Government could stand the clamor for a week? and do we not know that immediate steps would be taken as far as possible to shut out this flood of foreign goods poured in at

prices so immensely below those at which the home-producers could produce them? Do we not know that this influx of goods for nothing would be represented as a deep-laid plot on the part of foreign nations to ruin the trade of the State of Jonesonia, and that the citizens of Jonesonia would rise in their wrath to prevent the accomplishment of such a plot? Do we not know that this very operation by which foreign nations tax themselves to send abroad goods, not for nothing (that would be a crime at present unthinkable), but at below cost, is an offense to which we have given the scientific name of "dumping," and that when it is carried very far, as in the case of sugar, even Free Trade nations like Great Britain join International Conferences to prevent these gifts being made?

What, therefore, becomes of the analogy as between Jones and a State? And what shall be said of the political economy of those Protectionists who calmly talk as though the two operations were absolutely identical?

But, may object the militarist, when an indemnity is paid, it is not paid in goods, but in gold.

Really, ought not such an objector to buy a sixpenny textbook, and get some elementary notion of the real process of international exchange? And as to payment in gold, is it necessary at this date to point out that, although the payment be made in gold,¹ unless that gold can be exchanged for meat, bread, fruit, clothes, and motor cars, the man receives nothing at all? Sooner or later the gold must be exchanged for commodities, or it remains dead metal. In other words, if we can imagine a thousand millions of gold going into a country and never coming out, that country has not received any addition in real wealth. When

¹ England could not, of course, pay directly in gold: she could not pay fifty millions in gold. But it is conceivable that Germany might exchange the credit-equivalent she would receive from England for gold with other countries.

Paris was besieged by the Germans, and was starving for want of food and fuel, the hundreds of millions in the Bank of France might have been distributed among its starving population, and none of them would have had so much as a mouthful the more of real wealth, unless the gold could have been taken outside the walls. And the same is as true of a community of twenty millions as of two.

What would have happened if the millions in the Bank of France had been distributed among the population of Paris? Food and fuel would have been as scarce as ever, and the population would have died as rapidly as ever, and gone as hungry as ever. The only change would have been that everything would have gone up in price, roughly in direct ratio to the addition which had been made to their means of exchange; the population would have had more money corresponding to the rise of those prices, but general comfort would have been exactly what it was before. And this, indeed, is exactly what takes place when a Protectionist nation receives an indemnity of a large amount of gold. One of two things happens: either the money is exchanged for real wealth with other nations, in which case the greatly increased imports compete directly with the home-producers, or the money is kept within the frontiers and is not exchanged for real wealth from abroad, and prices inevitably rise, in which case the situation, as just illustrated in the case of Paris and the siege, is repeated. There is, however, as touching the relations with other nations, a further effect: the rise in price of all commodities hampers the receiving nation in selling those commodities in the neutral markets of the world, especially as the loss of so large a sum by the vanquished nation has just the inverse effect of cheapening prices, and therefore enabling that nation to compete on better terms with the conqueror in neutral markets. The dilemma, as stated above, is clear and simple, and I challenge any economist to show any real escape therefrom. Of two things one:

either the indemnity is paid in real wealth (commodities) directly or indirectly, a result which the Protectionist regards as unmitigatedly mischievous; or the money remains within the frontiers, in which case there is no increase of real wealth among the community, and prices rise, so that the effect of the extra amount of money in circulation is nullified by its lower purchasing power. There can be no question but that the country paying the indemnity certainly does lose that amount of wealth, because in order to obtain the gold she must get it from other countries giving real wealth in exchange; but what is equally certain is that the country receiving such money receives it either in the form of real wealth, which constitutes a serious competition to their own manufacturers and traders, and constitutes in the terms of the Protectionist creed a grievous wrong, or it has the simple effect of raising prices, in which case the community do not receive any addition to their real wealth. The difficulty in the case of a large indemnity is not so much the payment by the vanquished as the receiving by the victor.

How far does the history of the period 1870-1880—the period, that is, during which the war indemnity was paid by France and spent by Germany¹—bear out the apparent paradox just indicated? Preposterous as the thing may seem, it bears it out to the last detail, and the matter is worth a little careful examination.

The decade from 1870-1880 was for France a great recuperative period, and for Germany, after a "boom" in 1872, one of great depression. No less an authority than Bismarck himself testifies to the double fact. We know that Bismarck's life was clouded by watching what appeared to him an absurd miracle: the regeneration of France after the war taking place more rapidly and more

¹ I am aware that part of the indemnity remained in the fortress of Spandau, but only a small part (one hundred and twenty million marks). The bulk was spent in the period indicated.

completely than the regeneration in Germany, to such an extent that in introducing his Protectionist Bill in 1879 he declared that Germany was "slowly bleeding to death," and that if the present process were continued she would find herself ruined. Speaking in the Reichstag on May 2, 1879, Bismarck said:

We see that France manages to support the present difficult business situation of the civilised world better than we do; that her Budget has increased since 1871 by a milliard and a half, and that thanks not only to loans; we see that she has more resources than Germany, and that, in short, over there they complain less of bad times.

And in a speech two years later (November 29, 1881) he returns to the same idea:

It was towards 1887 that I first struck with the general and growing distress in Germany as compared with France. I saw furnaces banked, the standard of well-being reduced, and the general position of workmen becoming worse and business as a whole terribly bad

In the book from which these extracts are taken¹ the author writes as an introduction to Bismarck's speeches:

Trade and industry were in a miserable condition. Thousands of workmen were without employment, and in the winter of 1876-77 unemployment took great proportions, and soup-kitchens and State workshops had to be established.

Every author who deals with this period seems to tell the same tale. "If only we could get back to the general position of things before the war," says M. Block in 1879. "But salaries diminish and prices go up."²

In examining the effect which must follow the payment of a large sum of money by one country to another, we saw that either goods must be imported by the nation receiving the indemnity to compete with those produced at

¹ *Die Wirtschafts Finanz und Sozialreform im Deutschen Reich*. Leipzig, 1882.

² "La Crise Economique," *Revue des Deux Mondes*, March 15, 1879.

home, or the money must be kept at home and prices rise and so hamper exportation; in the case of the country losing the money prices must fall and exports rise. That this, in varying degrees, is precisely what did take place after the payment of the indemnity we have ample confirmation. The German economist Max Wirth (*Geschichte der Handelskrisen*) expressed in 1874 his astonishment at France's financial and industrial recovery: "The most striking example of the economic force of the country is shown by the exports, which rose immediately after the signature of peace, despite a war which swallowed a hundred thousand lives and more than ten milliards (four hundred million sterling). A similar conclusion is drawn by Professor Biermer (*Fürst Bismarck als Volkswirt*), who indicates that the Protectionist movement in 1879 was in large part due to the result of the payment of the indemnity, a view which is confirmed by Maurice Block, who adds:

The five milliards provoked a rapid increase in imports giving rise to extravagance, and as soon as the effect of the expenditure of the money had passed there was a slackening. Then followed a fall in prices, which has led to an increase in exports, which tendency has continued ever since.

But the temporary stimulus of imports—not the result of an increased capacity for consumption arrived at by better trade, but merely the sheer acquisition of bullion—did grave damage to German industry, as we have seen, and threw thousands of German workmen out of employment, and it was during that decade that Germany suffered the worst financial crisis experienced by any country in Europe. At the very time that the French millions were raining in upon Germany (1873) she was suffering from a grave financial crisis, and so little effect did the transfer of the money have upon trade and finance in general, that twelve months after the payment of the last of the indemnity we find the bank rate higher in Berlin than in Paris; and, as was shown

by the German economist Soetbeer, by the year 1878 far more money was in circulation in France than in Germany.¹ Hans Blum, indeed, directly ascribed the series of crises between the years 1873 and 1880 to the indemnity: "A burst of prosperity and then ruin for thousands."² Through the year 1875 the bank rate in Paris was uniformly 3 per cent. In Berlin (Preussische Bank, which preceded the Reichs Bank) it varied from 4 to 6 per cent. A like difference is reflected also by the fact that between the years 1872 and 1877 the deposits in the State savings banks in Germany actually fell by roughly 20 per cent, while in the same period the French deposits *increased* about 20 per cent.

It will be replied that after the first decade Germany's trade has shown an expansion which has not been shown by that of France. Those who are hypnotized by this quietly ignore altogether one great fact which has marked both France and Germany, not since the war, but during the whole of the nineteenth century, and that fact is that the population of France from causes in no way connected with the Franco-Prussian War, since the tendency was a pronounced one for fifty years before, is practically quite stationary; while the population of Germany, also for reasons in no way connected with the war, since the fact was also pronounced half a century previously, has shown an abounding expansion. Since 1875 the population of Germany has increased by twenty million souls. That of France has not increased at all. Is it astonishing that the labor of twenty million souls as against nil makes some stir in the industrial world? and is it not evident that the necessity of earning a livelihood for this increasing population gives to German industry an expansion outside the limits of her territory which cannot be looked for in the case of nations

¹ Maurice Block, "La Crise Economique," *Revue des Deux Mondes*, March 15, 1879.

² *Das Deutsche Reich zur Zeit Bismarcks*.

whose social energies are not faced with any such problem? There is this, moreover, to be borne in mind: Germany has secured her foreign trade and what are, in the terms of the relative comfort of her people, hard conditions. In other words, she has secured that trade by cutting profits in the way that a business fighting desperately for life will cut profits in order to secure orders, and will make sacrifices that the comfortable business man will not do. Notwithstanding that France has made no sensational splash in foreign trade since the war, the standard of comfort among her people has been rising steadily, and is without doubt generally higher today than is that of the German people. This higher standard of comfort is reflected in her financial situation. While German Three per Cents are quoted at 82, French Rentes are quoted at 98; and while the financial situation of Germany is at times notoriously bad, that of France is, generally speaking, the soundest in Europe. The French people have more invested wealth, more savings; and it is Germany, the victor, which is today in the position of a suppliant in regard to France, and it is revealing no diplomatic secrets to say that for many years now Germany has been employing all the wiles of her diplomacy to obtain the official recognition of German securities on the French bourses. France, financially, has, in a very real sense, the whip hand.

Do not these facts and others like them confirm therefore the conclusion that in the conditions of the modern world it is economically impossible for a great nation, especially if that great nation be a Protectionist one, to realize any benefit from receiving a large indemnity? The nominal transfer of the money may indeed be made, but the social, commercial, financial benefit must necessarily, given the complication of our economy, be fictitious.

It may be argued that, if the foregoing is true of an indemnity, it is equally true of a foreign loan received by a Protectionist State, and that therefore the millions that

Russia receives from abroad in this way do not avail her anything. Russia has, however, large foreign commitments for the payment of interest on old loans, and much of the money raised abroad is returned abroad in that form. Then, much of her war material is purchased abroad, so that she has generally sufficiently large payments to make abroad to avoid the financial stultification which the receipt of large sums would involve were it to be "spent in the country." That Russia does not altogether escape such stultification is shown by the fact, of which we are assured by Dr. Dillon, that the general rise in wages which has taken place in recent years in Russia has been more than nullified by the increased cost of living. It should be noted, moreover, that the steady increase of normal honest revenue from abroad as the result of foreign investment or foreign trading is not in the same category economically as an indemnity secured by war. In the first case the increase of wealth is real, in the second fictitious or evanescent, because in the first a market has been improved or created, and in the second injured or destroyed. If we were sending a hundred millions of goods a year to Germany in the ordinary course of ordinary business, it would mean that German industry had created a market for those goods by having previously found a market; if the amount were sent as part of a war indemnity it would mean that Germany had not expanded her buying capacity that much by general commercial activity, and that it could only absorb those goods by depriving its own producers of the trade.

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[In the 1913 edition, certain evidence bearing on the results of the indemnity paid by France in 1871 was added, together with this additional note:]

If we put the question in this form, "Was the receipt of the indemnity in the most characteristic and successful case in history of advantage to the conqueror?" the reply is

simple enough: all the evidence goes to show that it was of no advantage; that the conqueror would probably have been better without it.

But even if we draw from that evidence a contrary conclusion, even if we conclude that the actual payment of the indemnity was as beneficial as all the evidence would seem to show it was mischievous; even if we could set aside completely the financial and commercial difficulties which its payment seemed to have involved; if we ascribe to other causes the great financial crises which followed that payment; if we deduct no discount from the nominal value of the indemnity, but assume that every mark and thaler of it represented its full face value to Germany—even admitting all this, it is still, nevertheless, a fact that the 1870 war, considered as a commercial operation—the indemnity and the annexation of the two provinces being regarded as the gross profits—stands condemned as a ridiculous failure: the sheer money cost incurred as a result of the operation exceeds enormously the sum obtained as indemnity and the value of the provinces.

It is open to argument, of course, that on a future occasion, a nation like Germany would exact a larger sum and avoid the errors which nullified the advantages obtained. To that one can certainly reply this: that all the difficulties encountered in 1872 have been increased enormously in our day; Germany has a dependence today upon the stability of European credit which she had not forty years ago; dangers which might have been avoided with wisdom in 1872 could only be avoided by a political miracle in our day. The cost and difficulty and paralyzing effect of war have all increased incalculably. The capital cost of the war (including both sides) was put by Sir Robert Giffen at six hundred millions sterling. Thirty years later, this sum was exceeded in the cost of a war (I refer, of course, to the cost of both sides) waged by England to subdue a people, not of forty millions, but of about a hundred thousand:

one four-hundredth of the number that Germany had to face in 1870.

Those who urge that through an indemnity, war can be made to "pay" (and it is for them that this chapter is written), have before them problems and difficulties—difficulties of not merely military, but of a financial and social character—of the very deepest kind. It is precisely in this section of the subject that German science failed in 1870. There is no evidence that much progress has been made in the study of this phase of the problem by either side since the war of 1870—indeed, there is plenty of evidence that such study has been neglected. It is time that it was scientifically and systematically attacked.

And those who wish well for Europe will encourage the study, for it can but have one result: to show that less and less can war be made to pay; that all those forces of our world which daily gain in strength make it as a commercial venture more and more preposterous. The study of this department of international polity will tend to the same result as the study of any of its facets: the undermining of those beliefs which have in the past so often led to, and are today so often claimed as, the motives likely to lead to war between civilized peoples.

CHAPTER VIII

CONQUEST AND THE POPULATION QUESTION

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THERE is truly a population question, for Britain as well as Germany, but conquest of British colonies would not solve it for Germany, any more than the "possession" of those colonies solves it now for Britain. Juggling with flags by conquest leaves the fundamental economic problem unaltered, and offers in practice no solution to the population question. The survival of man does not now depend upon his readiness to fight his fellows but upon learning to coöperate: the choice is not "fight or starve" but "stop fighting or starve."

AMONG the quotations given in Chapter II is one from the *National Review* in these terms:

Germany *must* expand. Every year an extra million babies are crying out for more room, and, as the expansion of Germany by peaceful means seems impossible, Germany can only provide for those babies at the cost of potential foes.... She needs the wheat of Canada, the wool of Australia....

The same struggle for life and space which more than a thousand years ago drove one Teutonic wave after another across the Rhine and the Alps is now once more a great compelling force. Colonies fit to receive the German surplus population are the greatest need of Germany. This aspect of the case may be all very sad and wicked, but it is true.

Let us see.

The expanding population of Germany needs the wheat of Canada and the wool of Australia. Is it not available for them *now*? Do the farmers and graziers of those countries

refuse to sell their produce to Germany? Do the Germans have to pay a bigger price for Canadian wheat or Australian wool than we do?

"Well...but...if Germany owned Canada or Australia..."

You, dear reader (assuming you to be a British one), "own" Canada. (A fact which, when your bank overdraft has passed the limits, you might recall.) Do you then get the wheat of Canada and the wool of Australia for nothing? You do not. Every bushel of wheat and pound of wool that you get from this Canada that you "own" must be paid for, just as though it came from lesser tribes in Argentina or the U. S. A. Can you get it cheaper from Canada than a German can?

If Germany conquered Canada, could the Germans get the wheat for nothing? Would not the Germans have to pay for it just as they do now? Would conquest make economically any real difference?

More, is not the rhetoric about the "Teutonic Waves" and the "struggle for life" mere bombastic theory divorced from the realities of present-day politics? Is our problem the difficulty of obtaining wheat or wool? Do nations tend to withhold their produce from the others? Why, the complaint everywhere is, not that wheat and wool and other primary products are inaccessible, are withheld, but that they are "dumped" too readily. Every nation is engaged, not in trying to seize bread or raiment, but in trying to keep those things from its shores.

But the divorce from reality gets worse as we go on. The implication is that, while Australia and Canada are closed to German expansion, they are open to British. Are they? Can our people go to these "colonies" which "we" "own" without let or hindrance? Can we sell our goods there freely? We "own" these territories, of course; and they can be "taken" from "us" because every political writer who discusses the subject uses just those terms. But, by a

strange contradiction, we find that Britain's law does not run there at all; that these "British possessions" can exclude British goods and British subjects, discriminate against our trade, forbid our ships their ports (for some purposes at least, as for carriage between coastal points), forbid our workers to seek work in these "British possessions," deport British subjects for offenses which in Britain would be no offenses at all. . . . Still we "own" them, and Germany is trying to "take" them from us.

I suggest that those terms "ownership," "possessions" which may be "lost," "taken" from "us" are, when applied to territories of the British Commonwealth, utterly meaningless; that these "possessions" have become independent nations, no more amenable to our power than any other independent nation; that we own Australia about as much as, and in about the same way that, we own Argentina or Arkansas or Arizona, and the resources of the one are no more and no less accessible for our expanding population—or for Germany's expanding population—than the resources of the other; that Germany is as free to feed her population by the resources of Canada and Australia to the same extent and in about the same way that we are.

Yet it is hardly possible to discuss this matter for ten minutes without it being urged that as England has acquired her Colonies by the sword, it is evident that the sword may do a like service for modern States desiring Colonies. About as reasonably could one say that, as certain tribes and nations in the past enriched themselves by capturing slaves and women among neighboring tribes, the desire to capture slaves and women will always be an operative motive in warfare between nations.

What was the problem confronting the merchant adventurer of the sixteenth century? Here were newly-discovered foreign lands containing, as he believed, precious metals and stones and spices, and inhabited by savages or semi-savages. If other traders got those stones, it was quite evident that

he could not. His colonial policy, therefore, had to be directed to two ends: first, such political effective occupation of the country that he could keep the savage or semi-savage population in check, so that he could exploit the territory for its wealth; and, secondly, prevent other nations from searching for this wealth in precious metals, spices, etc., since, if they obtained it, he could not.

That is the story of the French and Dutch in India, of the Spanish in South America. But as soon as there grew up in those countries an organized community living in the country itself, the whole problem changed. The Colonies, in this later stage of development, have a value to the Mother Country mainly as a market and a source of food and raw material, and if their value in those respects is to be developed to the full, they inevitably become self-governing communities in greater or less degree, and the Mother Country exploits them exactly as she exploits any other community with which she may be trading. Germany might acquire Canada, but it could no longer be a question of her taking Canada's wealth in precious metals, or in any other form to the exclusion of other nations. Could Germany "own" Canada, she would have to "own" it in the same way that we do; the Germans would have to pay for every sack of wheat and every pound of beef that they might buy just as though Canada "belonged" to Great Britain or to anybody else. Germany could not have even the meager satisfaction of Germanizing these great communities, for one knows that they are far too firmly "set." Their language, laws, morals, would have to be, after German conquest, what they are now just as we have had to leave Dutch language and law in South Africa, French in Quebec. Germany would find that the German Canada was pretty much the Canada that it is now—a country where Germans are free to go and do go; a field for Germany's expanding population.

As a matter of fact, Germany feeds her expanding population from territories like Canada and the United States and

South America without sending her citizens there. The era of emigration from Germany has stopped because the compound steam engine has rendered emigration largely unnecessary.¹ And it is the developments which are the necessary outcome of such forces, that have made the whole colonial problem of the twentieth century radically different from that of the eighteenth or seventeenth.

But let us assume for a moment that the *National Review* theory is absolutely and completely true: Germany needs to conquer Australia or Canada to feed her people; we need to keep those territories to feed ours. The struggle is a biological struggle, and fight is inevitable. Very well, we fight, and we British win. Is the biological problem solved? But those million babies still remain. What are we going to do about it? Do we propose to say to Germany after our victory: "We are victorious. Your navy is sunk. Such colonies as you have shall be taken from you. Our navy now controls the earth. Keep out. As to your babies—no affair of ours. Nothing to do with us."

Yes, but... the babies are still there, and, in terms of my critic's hypothesis, without bread. Do we suggest that these highly-organized people in Central Europe, so closely allied to us in race, religion, culture, civilization, shall treat their excess population as the thrifty householder sometimes treats the inconveniently frequent progeny of the family cat? Shall we say to them: "This Empire of three-fifths of the Earth's surface is run on the principle that those outside it have no rights, not even the right to existence, to food. The Bengali, the Madrassi, the Malays, the African negroes, all these may live and, under our ægis, flourish and increase; but not Germans. They must die."

Well, do we expect the Germans to accept it? Does any one out of a lunatic asylum expect that that would be the last word?

¹ In 1932 the migration from the Dominions to Great Britain exceeded the contrary current.

That, of course, is a question our militarist never answers. His mind stops working at the point of victory, because victory is the one thing in which the military-minded is really interested. What happens afterwards does not concern him. Victory is for him an end, not a means, however much he may rationalize to the contrary.

When, in a debate the other day, the question "What would happen after victory?" was put, the reply was that Germany would be "wiped from the map," that she would be resolved back into her original small states. And this was supposed to answer the biological question. But, again, that million babies would remain: you might baptize them Bavarians, Prussians, Württembergers, Rhinelanders, but they would be the same babies; there would be the same number of mouths to feed. The man eats just as much whether you call him a Rhinelander or a German.

How would this juggling with frontiers have altered the ratio of stomachs to food?

The truth is that the military method as the solution of the problem of the struggle for bread would only be effective if we were prepared to slit the throats of a whole population, a hundred million folk, women and children included. And that method has practical and esthetic disadvantages, into which we need not enter.

So the population remain. We forbid them the resources of our empire, and by that fact compel them to live at, shall we say, a coolie standard of life. Now a highly organized, disciplined, civilized, regimented, highly educated, scientific, industrialized population living at a coolie standard of life are likely to prove an awkward element in the very heart of Europe. Not merely would the German population remain after being "wiped from the map," but German competition would very much remain. "Made in Germany" is already something of a terror to our industrialists; and Lancashire is extremely uneasy at the new cotton industry based upon cheap coolie labor springing

up in India. How, ask the masters of our textile industry, are we to compete in the markets of the world—and our textile industry lives by export—with wages of a few pence a day? But imagine the Indian coolie to be a German coolie, highly educated, scientific, trained, drilled with that amazing gift for organization which modern Germany has developed, and so very near at hand. Yellow peril indeed! The militarists would have us make Germany herself the Yellow Peril.

However, perhaps our politico-biologists, who talk of war as “the struggle for bread,” would, in fact, after victory, leave things as they are; let Germans continue to have access to the wheat and wool and the rest of it; and let the babies flourish, although we had defeated the German navy at sea. We would merely deny them the right to be a unified state. They might shift their ground from the biological to the political plane. Victory would be used to undo unification.

Very well. How long would *that* last? The one outstanding fact in international politics is the extreme ease with which the enemy of yesterday becomes the ally of today, and the ally of today the enemy of tomorrow. The great wars are not the wars of single states; they are the wars of Alliances. And a Germany humbled, dismembered, deprived of rights, would, of course, look Eastward: those hundred and sixty million Russians just waiting to be drilled, and behind them, with all sorts of possibilities, four hundred million Chinese. If victory does not solve the economic question, neither does it the political.

The political situation has, of course, a vital bearing upon the population question, but in a way which is almost the exact reverse of that which the militarists would have us believe. If political rivalry, the desire for power as an end in itself, sets up ferment and unrest, you then get conditions which make effective economic coöperation impossible—you get, through political Balkanization, an economic dis-

integration. Let me recall an illustration suggested in a previous chapter.

In the time of Columbus, the territory which is now the United States supported very precariously a few hundred thousand Indians mainly by the chase. The tribes fought each other for the hunting grounds, and doubtless their philosophers pointed out that this fighting of tribe with tribe was an inevitable part of the struggle for life in a world of limited resources. The territory about which these few thousands fought, now supports considerably over a hundred million people at a very much higher standard of life who do not fight at all. The fact that a hundred million can now live at an extremely high standard of life upon a territory which originally fed precariously a hundred thousand, would have been made utterly impossible if the population which succeeded the Indians had followed the Indian example of forming groups perpetually at war (as for a time its very varied elements of English, Dutch, French, Negro and Spanish threatened to do). If, out of that mixture, small tribes, or even small nations had formed and gone on fighting, the United States would have been immeasurably less prosperous, less able to face the economic future than it is. If, with all its failures, the population is today a great one and relatively very rich, it is because it has learned how *not* to fight, but how, instead, to maintain large scale economic coöperation.

Let us look nearer home.

Up to the time of Heptarchy, Britain supported precariously, with frequent famine and scarcity, perhaps a million inhabitants. The little kingdoms fought perpetually, and the Picts and Scots, Saxons and Danes, raided and sacked, and all struggled with each other for the possession of such wealth as the pastures and ill-tilled fields produced. Today, that territory supports forty-five million people with a comfort and material security for the meanest workman that the very kings in Egbert's day did not know. But, if Mercia

and Wessex and Northumbria and the other kingdoms had persisted in the view that their conflicts were "biologically inevitable" (and as a matter of fact that is pretty much what their bards sang), and had continued to regard the war of one British state against another as the highest and noblest activity to which a Briton could consecrate his life; if the Ruskins and Roosevelts of early England had, in fact, managed to maintain the military philosophy, if the Island had remained seven nations, each arming against the other, and the war had raged in this Balkanized territory as it rages so often in the other Balkans—then the British population today would be very small and very poverty stricken; it would be quite out of the question to maintain forty-five million people on the Islands. Civilized life is only possible for them by virtue of coöperation which is not merely insular, but now covers the world itself; only by virtue of the fact that it does cover the world, despite temporary breakdown, can our people live.

What is the real "primordial need" of the densely packed populations of modern Europe? It is that the process of industrial development, all the vast economics of a large scale geographical division of labor, shall be made secure and carried on to the best advantage. If that is done, there are resources enough so to raise the standard of life that the population problem, at least of the western world, will settle itself. For it is one of the contradictions of that problem that a rising standard of life causes the birth rate to diminish. It is in peasant countries of a low standard—in Russia, in Ireland, Quebec, the Balkans—where the rate of increase is high. Where the standard of life is good and civilization is urbanized the rate almost invariably falls. That fact, together with the immense potentialities of increased production owing to labor-saving machinery, and geographical division of labor, and the new sources of power, shows sufficiently the lines along which the demon of scarcity may be exorcised.

The issue is clear. We can solve our problem in one way: there is no scarcity, there is not likely to be scarcity, given the relation between high standards and the birth rate just touched upon, if we avail ourselves of the vast potentialities of modern machine and mass production, of large-scale industry. But there is one thing which will make that impossible: a continuation of our nationalist military rivalries, the Balkanization of the world. The wealth which awaits us is available only if we can somehow manage to organize our coöperations on a world-wide basis. It is not merely a matter of trade and industry. Even if, by some miracle, we could organize our economic life on a basis of national self-sufficiency, there remains money and finance, inextricably bound up with trade and industry and inextricably international; and extremely vulnerable. We cannot work the machine which might feed us if we go on fighting. It is not a choice of "fight or starve." We risk starvation because we have the obsession of fighting: "We shall perish of hunger in order to have success in murder."

Let us summarize the very simple, very elementary truths concerning the relation of conquest to the population question so far established.

1. The real problem of our modern economy is not any absolute shortage, given the immense potential productivity of modern processes. The real problem is to prevent the dislocation of those processes, especially the processes of exchange. War creates a degree of dislocation far more costly than any possible "loot" can compensate.

2. It is a simple statement of history that, to the extent to which groups fight each other, they fail to make such good use of the common resources available for sustenance as when they stop fighting and coöperate. Where four hundred thousand Red Indians divided into tiny nations perpetually fighting each other starved, a hundred million modern Americans organized into states do not fight, but live in plenty.

3. Conquest in the modern world, for all the reasons connected with markets, etc., already elaborated, does not mean a reduction in the number of mouths to feed: usually, as in India, it means an increase.

4. The potential productivity of modern machine and large scale methods is so enormous, if made effective by proper coördinations, that there is far more hope of relief for population pressure by perfecting those coördinations than by exchanging British sovereignty for German in Asia or America.

5. The disorganization in that apparatus of production, caused by war and the frictions set up by conquest, would make the support of expanding population more, not less difficult, after conquest than before.¹

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CERTAIN specific cases, usually cited as completely disproving the foregoing conclusion, are very generally cited in this discussion. The case of Australia confronting the power of Japan is perhaps the commonest: but for the British navy, Japan would seize Australia and turn it into a Yellow Land and the White would be swamped. It is power which preserves Australia for the British. And that is supposed to dispose of the whole case for international coöperation as against international rivalry of power.

First let us note what the question is that we need to examine; and what it is not. It is not whether a single power in an armed world should place itself at the mercy of the rest who remain armed; but whether the advantages of victory (purchased at the price at which victory must be purchased in an armed world) are so greatly superior to those obtained by peaceful coöperation that a state guided by considerations of advantage would never be brought to adopt the latter policy.

¹ How far these generalizations and others in this chapter apply to the case of Japan in Manchuria is indicated in notes at the end of this book.

If we put the question in that form:—which kind of world will best help Japan to solve her population question, a world of competition for military power, or one which had recognized the futility of that method and was turning to more effective coöperation?—there can, in my view, be no doubt at all as to the answer. It is the latter kind of world which would suit best the circumstances of a country like Japan.

Usually this problem is discussed in complete disregard of the considerations which have been elaborated in previous chapters; discussed as though it were true that, unless the Japanese actually settled in Australia, the resources of that country would not be available to feed the Japanese population. But what has been written in preceding chapters about the relation of Lancashire to the cotton of Louisiana; the fact that "Argentina is Britain's granary" and coming to be Germany's, though neither of those European states "owns," in a political sense, the South American state; the fact that vast industrial populations live by means of foodstuffs produced in foreign countries on the other side of the world—all this is disregarded, though it is just as true of the industrialized section of the Japanese population as the industrialized populations of Germany or England. It is true that Japan, like England of the eighteenth century, is very largely agricultural; but the transformation which England underwent in the nineteenth, Japan seems to be undergoing in the twentieth century. (And in keeping with the tendency we have seen elsewhere, as industrialization increases and the standard of life rises, we may expect the birth rate to fall.) It is well to remember that the pressure of a fifteen million population at the opening of the nineteenth century was much greater than the pressure of a forty-five million one in England at the opening of the twentieth. This century, with its enormous cheapening of transport, has proved that it is becoming of less and less importance at what particular spot on the earth a man carries on his daily task.

It might well be economically advantageous for the New Zealander to wear clothes made from wool grown in his own country but woven in England: the carriage of the wool twice across the earth might well be economically justified. It is facts of this character which may explain, in part, the lessening of what one might call the migration impulse: for it has lessened. As we saw in the case of Germany, the period of emigration seems almost to have ceased, and there are signs that the Japanese are showing the same hesitation about leaving their own country. (The actual numbers going to the Pacific States of America are microscopic, despite the absurd din raised over the matter.) Certainly the figures of emigration suggest that a redistribution of population is not the lines along which the modern world is solving, or can solve, its population problem.

And Japan would certainly fail to solve her problem by any such method as an attempted military conquest of Australia, which is evident enough if we look at another group of facts also usually completely disregarded when this instance of Japan and Australia is cited.

It seems to be commonly assumed that, but for the domination of the seas by the British navy, Japan could simply stretch out an arm and Australia would become a Japanese colony.

Well, the British Empire itself has recently had rather striking proof of the fact that seizure of nearly empty land is not quite so simple as that. An arithmetical sum in Rule of Three will suffice to produce some interesting reflections.

The population of the Boer Republics was about one-twentieth of that of Australia, and could never at any one time put fifty thousand men into the field. The Boer territories had no industries at all. They could not manufacture a rifle, or a field gun. Nevertheless, it took the greatest empire in the world three years, half a million men and two hundred and fifty millions of money to overcome that little band of farmers, with their lack of technical knowledge and

without an ally in the world. On this basis, how many men, how much money and how many years would it require of Japan to overcome a population twenty times as great, already largely industrialized, able to manufacture military equipment, possessing technicians of all kinds, completely self-sufficing as to food, and strategically in an immeasurably better position to resist Japan than the Boers were to resist Britain? Britain had in the Cape already a very strong foothold and base on South African territory itself. Japan has no such foothold in Australia. The Boer territory was not a seaboard territory enabling its inhabitants to resist the landing of invaders. The difficulties of effecting landings on distant coasts, with all the enormous paraphernalia of modern war necessary for coping with a population possessing the elements of resistance that the Australians possess, has been proven again and again, and many military authorities regard such enterprises as quite impossible of success. At the very best, in the light of such history as that of Boer resistance, the seizure of Australia would be a desperately costly, dangerous and doubtful enterprise. At the end of such an effort, Japan—still an extremely poor country by European standards—would be utterly exhausted financially, and in no position to provide the very large funds necessary for the settlement of any large Japanese population.

And then the occupation of the country would only be beginning. Note the analogy with the Boer states. In a very few years, the British forces and British Government had withdrawn, the Boers were once more politically uppermost; the Commander of the forces which had been in the field against Britain had become Prime Minister, able to expel British subjects; and, as we have seen in a previous chapter, the all-powerful British Empire had no recourse against him. Would five million Australians be less resistant than a quarter of a million Boers?

There is one important difference between the colonization of the past and the position of modern colonies. The

modern colonial community finds in such things as the telegraph, the railway, the newspaper, universal reading, means of resistance to the imperial power which the seventeenth and eighteenth century colony did not possess. They are a means of unifying a population, of facilitating common and collective action, of expressing "national aspirations," of becoming vocal. They are tools which modern India (to take one instance) is using very effectively as means of resistance to an imperial power, to conquest.

Yet these things are necessary for the exploitation of colonies, for turning them to economic account. A conqueror cannot make of his conquest a market, a field for investment, unless those things are permitted. Once again is illustrated that social principle to which attention has been called previously in these pages: to the extent to which the party we have coerced becomes strong to do what we want, he becomes strong to resist our demands.

In the light of quite unmistakable experience, we may say that the permanent conquest of Australia by Japan is utterly outside the range of practical politics, and would be, even though the British navy did not exist; that such an attempted conquest would be the least effective way for Japan to tackle her population problem, and that a stable and internationally organized world, giving her some assurance of foreign markets, would place her in a far more favorable position than military adventure could possibly do.

Which does not at all rule out the hope that, one day, Australia may be wise enough to forestall mischievous dreams on Japan's part by setting aside for Japanese settlement, under all necessary safeguards, some part of the empty spaces of Northern Australia. It is doubtful whether, in fact, we should see much Japanese use of such territory. But mutually beneficial arrangements of that kind—not now possible, it is true, but which may later become possible—would allay a certain sense of grievance and add to the security and welfare of all concerned.

CHAPTER IX

"BUT SOME PROFIT BY WAR"

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UNDOUBTEDLY some interests profit by war, as some interests would profit by an epidemic of smallpox; but those who profit by smallpox are powerless to promote it, and those who benefit by war are sometimes very powerful to promote that sickness because our views about how war may promote the interests of a nation, vindicate its rights and so forth, are so different from our views about smallpox. The idea that "capitalism" is the cause of wars, and is inherent in the system, simply disregards the fact and can be shown to be simply untrue. These arguments and "the class war."

CERTAINLY. Some profit by smallpox—lymph makers, chemists, doctors. But those isolated interests who benefit by smallpox are not able to use as much influence to promote it as armament makers and others sometimes undoubtedly use to promote wars. Why are the smallpox profiteers powerless and the war profiteers powerful?

Broadly because no one is able really to persuade the nation that it benefits by smallpox, or that it is a duty to get it, or noble, or patriotic. But those who profit by war are powerful because they *can* very easily persuade a whole nation that war is to its advantage, right and glorious. If we would reduce the war traders to the same powerlessness that the smallpox traders reveal, there is only one means of so doing—to bring home to the public, which they exploit, the same sense of futility of war, to create in the

public mind pretty much the same feeling about war which it now possesses about smallpox. The war traders can only act through the public mind—its beliefs, fears, cupidities, prejudices, hates, pugnacities, animosities. So long as these lie beneath the surface of the ordinary man's thought, he will be an easy victim of the war trader's exploitation.

In other words, even if it be true that some interests do promote war, the only thing to do in the face of that truth is to undermine the widespread fallacies which the interests use, and upon which their power is based.

But this argument of "vested interests being the cause of war" is sometimes enlarged into something wider, into the proposition that capitalism is the cause of war; that war is inherent in the capitalist system.

Even if that were true, it would still be true to say that the capitalist can only make a whole people go to war—want war, clamor for war as, again and again, we have seen whole peoples doing—by capturing the popular will; and that the only prophylactic against that situation is to make the public aware of the way in which it is being misled. So long as the public is obsessed by the fallacies here discussed, they will always be at the mercy of any interested group.

In fact, however, it can be shown, quite indubitably, that capitalism is not the cause of war. The case can be put very simply. Suppose the original thirteen colonies of North America had failed in their efforts at federation and, after their separation from Britain, had followed more the line that the South American colonies of Spain followed, breaking into separate nations, so that what is now the United States made half a dozen different nations; a French-speaking one perhaps in Louisiana, a Spanish-speaking one on the West coast, a Dutch in the Hudson Valley, and English in New England. (And, after all, it does not require much imagination to conceive happening north of the Mexican border what actually did happen south of it.) If, during this

last hundred and fifty years, Pennsylvania or Ohio had been one nation, Louisiana another, each with its separate army and navy, tariffs, currency, quarrels about rights on the rivers and lakes, we know what would have happened: There would have been war between Ohio and Louisiana, just as there has been war between Chile and Peru; there would exist between the independent American states what exists between the independent European states, such as France and Germany—historical grievances, bitter national feuds, lying school history books.

What would have been the cause? Capitalism? But does not capitalism exist in Ohio, Pennsylvania or Louisiana now? Yet they do not fight each other. They do not fight each other because they are not independent nations. They would have fought if they had been. Put the same suggestion in another form: Suppose that the central authority, which once united most of Europe, had been maintained in one form or another, through the Church or through the Empire, so that today France and Germany occupied in the European system much the position that Pennsylvania holds to Louisiana (or the German cantons of Switzerland do to the French). The European Pennsylvania and Louisiana would no more fight than the American states do, though capitalism might flourish as abundantly in the United States of Europe as it does in the United States of America. We have war between the states of Europe and peace between the states of North America, not because there is capitalism in Europe and no capitalism in America, but because, though there is capitalism in both continents, there is a federal bond in North America and not in Europe. The cause of war is, not separate nationality, but anarchic nationalism.

Now the separatist tendency, the movement towards the political independence of nationalities, are not "Capitalist" movements, they are popular movements. Nationalism, whether in South America or Ireland, or in the Balkans, is

essentially popular. It is not that the peoples want war, they want independence, "ourselves alone," and do not realize that "independence" means anarchy and that anarchy means war. Anarchy in the international field means, in practice, the attempt of dense traffic to travel the highways of the world without traffic rules or traffic cops. The inevitable collisions are always, of course, attributed to the wickedness of the other fellow.

"But the people don't want war." The people in the East don't want cholera. But they don't see the relation between medieval sanitary conditions and the disease which kills them, as the people in the West don't see the relation between war and "complete national independence," that is to say, the right of each to be his own judge of what his rights are (which means the right to be the judge of others' rights as well), so that each is always asking others to occupy a position which he refuses to occupy when others ask him.

Anarchy involves war, not because anybody is particularly wicked, or wants it or plots it, but for the same reason that there would be death at every passing on the automobile road if each driver were free to choose whether he should drive to the left, as in England, or to the right, as elsewhere; and if it were regarded as a dereliction of dignity to discuss how he would drive his own car. War arises because the people do not see the relevance of that analogy; do not see the need of rule; believe that anarchy in the international relation is preferable; that the advantages of conquest, of being top dog in our relations with others, far outweigh any advantage which could come from making our power a mere contribution to the general power of civilization; believe that the sacrifices of national independence involved in international arrangements outweigh any countervailing advantage of an international order.

I say that the public think that. It would be truer, perhaps, to say that they feel it as the total result of holding to the general assumptions which these pages attack.

Capitalists themselves feel it. In arguing that capitalism as such is not the cause of war, I must not be taken as arguing that capitalists do not often believe in war, believe they and their country benefit by it. The capitalist is as subject to error about his own interest as other folk; is not at all that being of steel-like brain and unerring capacity to read aright his own interest, which it is the habit of Socialists to paint him.

What is the quite evident and simple truth in this matter? It is *that a relatively infinitesimal group of capitalists is able, by manipulating a mass of ignorance and blind prejudice, to profit at the expense of all other capitalists whatsoever.* And that is even truer if we substitute for capitalist, financier. The theory that the "international financier" has some special interest in war defies nearly all the facts.

What is "international finance"? Is it a small band of Frankfort bankers with Hebraic names living by the exploitation of people less unscrupulous than themselves? That is a picture lending itself to dramatic and sensational treatment, but it does not happen to be true. All bankers, merchants, investors, those who insure their lives, who have holdings in stocks or shares of any kind, are financiers in the sense that they are interested in the security of wealth and the better organization of finance. Even when we use the term "financier" in its narrow sense we imply generally a man whose fortune is based upon the general prosperity: if the world as a whole did not make and save and invest money financiers could not make it—their occupation would be gone. And more and more is it true that modern finance, whether in the large or in the limited sense, is bound up with general security and prosperity; the more that that becomes evident the less is the incentive to oppose any special interest to the general one.

It is true, of course, that wherever you get conditions in which, on the one hand, the general interest is very ill-conceived and uninformed, subject to gusts of blind preju-

dice readily and easily stirred into life, and where, on the other, you get a particular interest well conceived subject to no such influence, you will get the particular interest controlling the general; five or fifty or five hundred men manipulating as many millions to their own personal advantage. But no mechanical reshaping of society could ever prevent such a result if you get these two elements in juxtaposition. And that is true, not merely in the domains of finance and politics, but in things like religion or medicine. It is the story of priest-craft, quackery, demagogism, through all the ages.

There was a time in Europe when massacre and cruelties of all sorts, credulity, and quaking fear of the unseen, passed for religion with great masses of the population. And while that was true a camarilla of priests could make playthings of nations. And the relation which that sort of "religion" bore to morals in Europe in the past the wicked rubbish that too often passes for patriotism bears to politics today.

This is a chapter addressed rather particularly to Socialists and other Progressives who pride themselves upon being able to shake themselves free from old prepossessions, old ways of political thought. I fear it is a necessary chapter because, much to my surprise, I have found very many Socialists accepting, in common with the completest Tory, the old nationalist notions of "ownership" of territory, the possibility of the military transfer of wealth, the reality of the "possession" of colonies, and all the rest of it.

It was the incident of the Boer War which revealed to this present writer the intellectual Conservatism and traditionalism of much Socialist thought, the uncritical acceptance of certain terms at their face value. Everywhere I found Socialists not only echoing the popular continental view that the fundamental motive force behind the Boer War was the "capture of the Rand mines," but really believing that British conquest would bring the mines under the control of the British Government—indeed, at that time,

most Englishmen believed it. Whereas it was quite plain that a South African Union would go the way of other British Dominions and the mines pass completely from the control of the British Government; which is what has happened.

It would perhaps help to make some of the points clear to summarize an actual controversy with a German and an English Socialist in which this writer happened to be engaged last year.¹ A writer in *Die Neue Zeit*, in answer to the contention that conquest of foreign territory can bring no possible benefit to the mass of the conquering nation, replied in effect that in the event of, for instance, the German conquest of India:

...The German bankocracy would divert from England to Germany the millions of the profits of exploitation which are to be made in the future by the further capitalistic development of India. ...It is true enough that in the conquered country we no longer employ the simple method of direct spoliation; but in its place, capitalist exploitation everywhere flourishes. The only question is, to the capitalists of which nation shall accrue the surplus value which is to be obtained from the population of any particular country? For the modern *bourgeoisie*, this is the upshot of all "national questions" and "national contrasts."... Norman Angell will never succeed in convincing the capitalists and their hangers-on that they have nothing to gain by extending the area of their dominion, since they desire it in order to ensure that an ever-greater proportion of the surplus value of the world shall flow into their "national" coffers.

This criticism is, of course, based upon utterly false premises. And it is curious to note that this failure of an eminent European Socialist to realize the facts arises from the hypnotism of conventional conceptions which are, at bottom, the negation of Socialism!

First, as to facts. My critic says the German bankocracy would, in the event of the German conquest of India, divert from England to Germany the profits of the capitalistic exploitation of the possession.

¹ i.e., 1911.

Does he seriously mean by this that the stocks and bonds of Indian railroads, mines, etc., now held by English capitalists would, in the case of the German conquest of India, be confiscated by the German Government and transferred to German capitalists? But he must know that such a thing is impossible. The interlocking of interests is so great that German financial institutions would be hit by such confiscations in the long run as much as British. When England conquered the Transvaal, how many mining shares did England "capture"? Not sixpennyworth; and the dividends of the mines continued to go to the owners of the stock—Russian, German, French, American, Turkish, or Hindoo.

Or does the phrase I have quoted mean that the German "owners" of India would, after the conquest, prevent British capitalists from investing money in India? That, of course, is equally absurd. After a war Germany would be more hard up for money than she is now, and would take it wherever she could get it; and in order to get it she would have to give security, which she would give in the shape of bonds and shares. In all probability she would, if she wanted to carry on the capitalistic exploitation of India, have to come to London and Paris for the money, which means that the profits of the capitalistic exploitation would go to those centers in just the proportion in which they found the money. There would be no "diversion" by mere virtue of conquest.

What is evidently in his mind is that the destination of capitalists' profits is determined not by the source of the capital, but by the nationality of the Government of the territory in which the exploitation takes place. Such a notion is childish—none the less so because it is due to a confusion still dominating the mind of the older type of politician in Europe. In order that there shall be no doubt as to this conclusion, he adds this, that in war the real question is:

To the capitalist of which nation shall accrue the surplus value to be obtained from the population of any particular country.

It is a necessary corollary, of course, of the first confusion; Kowski would imply that the area of capitalistic exploitation is determined by the political dominion of the capitalist Government; that a German capitalist cannot invest money in a country unless his Government conquered it. And this is written in a country and of the country which has given us the type of capitalist represented by the Rothschilds, Cassels, Sterns, Oppenheims, Mendelssohns, and Bleichroeders—men whose activities disregard completely national and political divisions; and written also of a country whose capitalists operate in an astoundingly enormous degree in Brazil, Argentina, China, Egypt, Turkey, Russia, and India!

I have never yet been able to understand why a certain type of Socialist habitually distorts or closes his eyes to the truth in this matter. Why should he not admit frankly what is the obvious fact—his cause would gain by the admission—that capital is a good deal more international than Labor, and the capitalist at bottom much less affected by nationalist prepossessions? The laborer cannot labor (except in a very indirect sense) simultaneously in half a dozen quarters of the globe, under half a dozen Governments. The capitalist can and does so set his capital to work. Most large capitalists, especially since “geographical distribution” of capital has come into favor, exploit by their operations a dozen different countries, and the “flag” under which the dividend is paid is a matter of complete indifference to them as long as it is paid.

It is true, of course, that many German capitalists would rather see India a German “possession” than a British one, partly because capitalists share with other humans the weakness for the kind of vanity and vainglory which is so large a motive leading to these territorial acquisitions; because, in other words, capitalists so often think—and act—as nationalists rather than as capitalists. And, doubtless, there are German industrialists who think that, if it were

a German "possession," special advantages for German trade could be wangled, although that type of closed Empire, keeping special advantages for the producers of the home country, has in the past utterly failed and has been abandoned as a workable method by the most successful of all Imperialists—the British.

But the question is not whether German merchants today would rather have Canada or New Zealand German or British. The question is whether, thinking in terms of financial and capitalist gain, the advantages of a war waged to secure the change from British to German "ownership" would justify the risks and costs. And I do not hesitate for a minute to say that any one knowing at first hand the temper and misgivings of present-day financiers knows also that those financiers feel that the risks of European war infinitely, immeasurably, outweigh any of the very doubtful advantages which might be gained. Ask a Banker in Wall Street, who now is perfectly free to invest his money in Canada and to draw the dividends of the investments (incidentally Wall, not Lombard, Street is becoming the financial center of Canada), whether the advantages to be gained by having the American flag fly in Ottawa are sufficient to justify the risks of an Anglo-American war. Any one who believes that Wall Street would dream of "plotting" such a war is believing romantic rubbish. I will go further. If the American investor in Mexico could have guaranteed to him the same stability that exists in Canada, he would much prefer that Mexico should remain under some other than the United States Government, since under the latter régime he would have to meet anti-trust laws, laws of industrial protection of the worker, Trade Union habits, and much else that capitalists do not like.¹

¹ "No doubt commercial rivalry between England and Germany had a great deal to do with causing the war, but rivalry is a different thing from profit-seeking. Probably, by combination, English and German capitalists could have made more than they did out of rivalry, but the rivalry was instinctive, and its economic form was accidental. The capi-

What is the truth in this matter? That the forces, both economic and psychological, making for war cut clean athwart class division. Large sections of the *bourgeoisie*, both by interest and temperament, are anti-militarist, just as some sections of the democracy are militarist. Some of us have seen a pro-Boer aristocrat running for his life before a howling mob of working-class "patriots." In Australia and New Zealand the democracy, in some respects the most advanced in the world, is not anti-militarist either in practice or in spirit; they are, for the most part, truculently militarist, and it is under a Labor Government that has been enforced the first compulsory military service under the British flag, and such feeble protest as we do find comes from *bourgeois* sources.

Why run one's head against these obvious facts? Capitalism in its economic theory is just as international as Socialism; in its practice, more so. The definite repudiation of the doctrine of Universal Brotherhood, a repudiation embodied in legislation of a rigid, harsh, and sometimes cruel character, has come first from advanced democrats—I refer to

talists were in the grip of national instinct as much as their proletarian 'dupes.' In both classes, some have gained by the war, but the universal will to war was not produced by the hope of gain. It was produced by a different set of instincts, one which Marxian psychology fails to recognize adequately. . . .

"Men desire power, they desire satisfaction for their pride and their self-respect. They desire victory over their rivals so profoundly that they will invent a rivalry for the unconscious purpose of making a victory possible. All these motives cut across the pure economic motive in ways that are practically important.

"There is a need of a treatment of political motives by the methods of psycho-analysis. In politics, as in private life, men invent myths to rationalize their conduct. If a man thinks that the only reasonable motive in politics is economic self-advancement, he will persuade himself that the things he wishes to do will make him rich. When he wants to fight the Germans, he tells himself that their competition is ruining his trade. If, on the other hand, he is an 'idealist,' who holds that his politics should aim at the advancement of the human race, he will tell himself that the crimes of the Germans demand their humiliation. The Marxian sees through this latter camouflage, but not through the former." Mr. Bertrand Russell in *The New Republic*, September 15, 1920.

the anti-Alien, anti-Negro, anti-Chinese, anti-Japanese legislation of Australia, Canada and the United States. The capitalist classes opposed such legislation; the working classes imposed it. I am not discussing the respective motives or saying that the working classes are wrong. *Je constate*. In this, as in so many other respects, it is capitalism which is non-nationalist, universal, cosmopolitan; Socialism or organized Labor which is racial, nationalist, exclusive. And, incidentally, it is the Socialistic, not the capitalistic, attitude and legislation which augurs ill for the disappearance of conflict and armaments.

Surely good sense and good strategy dictate that the Socialist should make common cause with such of the enemy as believe themselves to have common interest with him in this matter; to refuse to do so is to consolidate the strength of the enemy, and to weaken his own. It is as though Keir Hardie and other Socialists should refuse to associate themselves with the campaign for Women's Suffrage because some Conservative ladies of title are in favor of it.

Into this matter of the fight against armaments, the quarrel between Socialists and capitalists does not enter at all. And if a very superficial reading of class antagonism leads Socialists to take the view that this is a capitalistic matter in which they are not interested, that it is merely part of the general fight against capitalism, and that it is not worth while, so long as the present régime lasts, to interest themselves in the matter, well, the proletariat as a whole will pay very dearly for its error.

There is a dangerous tendency always to find the easy "scapegoat theory" of all our troubles. Always in war does each side blame the other for being the sole cause of it. It is thus not the result of wrong ideas about human society or human institutions common to both, but some "criminal nation." Now we want to make the cause a criminal class: the capitalists. It is easy, simple, provides a scapegoat; keeps agreeable passions awake and sends the public mind

completely to sleep. There is no problem—nothing for the virtuous Socialist to do about it except suppress Capitalist wickedness. We substitute for “Our Nation v. the Enemy,” “The Virtuous People v. The Wicked Capitalist.” With a very great many among the political Left, it is impossible to get any serious attention paid to problems of nationalism or the political anarchy which arise therefrom at all; there is an implied flat denial that, in grappling with this ancient evil which antedates not only capitalism but history itself, “the people” need do nothing at all in the way of revising old ideas or disciplining old passions.

War, more ancient than history, is the outcome of passions, follies, fallacies, misconceptions, and defective political institutions common to the great mass of men. They are not incurable misconceptions, not incurable follies. But they may well become so if we persist in assuming that they don’t exist; that we need not trouble ourselves about them because war is due to a little clique of evil “interests.” So long as we take the line that “the People” (i.e., we ourselves) are innocent of error, then we might hang every war profiteer in existence, and find, on the morrow, human society as helplessly as ever in the grip of some new folly, stimulated by a new group interested in exploiting it.

CHAPTER X

HUMAN NATURE AND HUMAN INSTITUTIONS

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THE "human nature" argument is usually turned completely upside down. The fact that man is naturally so quarrelsome and unreasonable is just why it is so important to talk reason, clear up confusion, agree beforehand on rules, devise suitable disciplines, and suitable institutions.

"YOU forget," says the retired Major-General, with the kind of smile that indicates that he possesses the final, the complete, the annihilating answer to the advocates of peace, Arbitration, International Courts, Disarmament, Internationalism, "you forget human nature; that man is a fighting animal; pugnacious, quarrelsome, irrational, ready to fight for a sign, rarely guided by reason."

Precisely. That is why it is so important to talk reason; and devise new institutions. It is the only justification for so doing. The fact which is the very basis of the internationalist's case, is precisely the fact which the Major-General invokes with such finality against it. For if man were not the kind of creature he describes, but was "naturally" social in his impulses, always ready to see the point of view of the other party, never lost his temper and called it patriotism, always capable of being his own judge in his own cause—why, of course, we should not want peace conferences nor international institutions. But neither should we want national constitutions, legislatures, courts,

police, or, for that matter, ten commandments and churches. All those things are institutional means of dealing with the imperfections of human nature. And the time has now come when the development and multiplication of human contacts demand that we add to the institutions. They have become necessary just because mechanical development has increased our contacts, enlarged their area. Those contacts do not of themselves make for peace: they may quite as easily make for war, "human nature being what it is," unless we get new rules of the road (as we had to have with the coming of the motor car), subject mere instinct to the discipline of a social intelligence.

The active Pacifist or Internationalist is not one who believes, as the Major-General seems to think, that war is not likely to come, but that it will certainly do so unless we take precaution against it. If unconscious, innate tendencies, "*la force des choses*," made for peace, there would be no sense in pacifist activity; all we should have to do would be to sit down and leave things alone. Reason is urged, not because men are easily and readily guided by reason, but because they are not. If men saw what was reasonable without much discussion about it, what would be the sense of discussing it? The Major-General has got the human nature argument turned completely upside down and usually goes his life through without realizing it.

It is not a question of changing human nature (whatever that may mean) but of changing human behavior; which all instructed psychologists, everyday experience, all history, show can be changed enormously by conditions, institutions, traditions, moral values, suggestion, education, as witness slight changes in the matter of cannibalism, human sacrifice, polygamy, slavery, the burning of heretics, the torture of witnesses, the duel and a thousand common-places of daily life. If the phrase about human nature is altered to "You cannot change human behavior," how

does one explain the vast changes just indicated in the daily life of the West?

The "human nature" argument is often characterized, on the lips of militarists, by a *non-sequitur* even more serious. The argument usually runs:

Man is a bloodthirsty, quarrelsome, irrational creature, especially when organized into nations. They will fight, for a word, a sign, incalculably. Therefore, each should be highly armed with weapons as destructive as possible. To take those arms away, to reduce them, would be a highly dangerous proceeding.

I suggest, again, that the right conclusion is the exact contrary.

What is meant by saying that instinct must be brought under the domain of social intelligence?

Once, in an American theater, one of the audience raised the cry of "Fire." The audience obeyed their instinct—their instinct of self-preservation; and if there is one instinct which presumably it is safe to obey, it is that of self-preservation. They did so, rose in a mass, rushed to the doors; these happened to be closed, and ten people were trampled to death. There was no fire. It was a false alarm. Those people died by reason of an ill-controlled reaction to a momentary impulse or instinct. A few days later, in another theater, the cry of fire was also raised. But the manager happened to be there and, jumping on the stage, cried out dramatically and arrestingly: "Keep your seats. There is plenty of time. Rise slowly, choose your nearest entrance and WALK. No one runs." That theater was emptied in perfect order; no one was hurt, although this time there was a fire, and the place was burned to the ground.

What happened in the second case? Disciplined intelligence, based upon experience of what results from blind obedience to instinct, was made to guide behavior. The knowledge, "This will happen if I do that thing," was added to the factors of behavior.

These social disciplines form habits, habits which become not second nature, as some one has said, but first.¹

The discussion of what is necessary for the stability and security of the world's life is often vitiated by invoking curious and childish absolutes. When you point out that the world direly needs to put some sort of system in place of the muddles that threaten our whole civilization, you are usually met with some such retort, even from educated people, as that "it is man's nature to fight"; or that "we *must* have force—would you abolish the police?"; or an attempt is made to find some obscure case where conquest in modern times did actually involve some transfer of property or benefit some one.

This book is entirely unconcerned with absolutes. To wipe out cancer is not a less desirable achievement because men die of tuberculosis. Whether we can, by some plan or other, make completely certain that no war of any kind between any people anywhere on the earth shall ever take place again, is not the sort of question with which this book is concerned. Nor does it try to prove that no war could ever, in any circumstances, be of advantage to the victors or to mankind; still less that force can never, in any circumstances, have a social purpose, or should never be used.

¹ A letter signed by H. C. Nixon, Secretary of the Institute of International Affairs, from New Orleans, to this effect was published recently in *The New Republic*:

"Do you as a psychologist hold that there are present in human nature ineradicable, instinctive factors that make war between nations inevitable?" To that question, submitted to more than five hundred members of the American Psychological Association, Professor John M. Fletcher of Tulane University has received 345 answers in the distinct form of "No," with only eleven marked "Yes" and twenty-two inconclusive or indeterminate. He has just completed such a poll and given the results with his interpretation in a paper before our local Institute of International Affairs, which has just completed its first annual session with a program on the general subject of reduction of armaments. This paper seemed to be the most significant feature of our successful series of meetings and we are planning to have it reproduced and circulated, for this answer to the proverbial human-nature-inevitability explanation of war should be put before a wider group than psychological specialists or our local Institute membership.

War may be inevitable. Perhaps. I do not know. Nobody knows. Does it mean that any war proposed at any time by any interested party—silly and irresponsible newspapers, demagogic politicians, armament firms—is inevitable? Of course not. Then which war is inevitable and which avoidable? Disease is certainly inevitable; yet in the West plague, cholera, leprosy have been wiped out. Is that no gain? It is a gain we could not possibly have made if men had said (as they do say in the East, and consequently do not abolish these pestilences), "Pestilences fate."

The purpose of this book is to suggest that, in a vitally important field of human activity—the relations between states which are daily becoming more closely concerned with the maintenance of any orderly civilization—we proceed upon assumptions which prove, on examination, to be utterly unsound; often in plain violation of self-evident fact, of common sense, of arithmetic, of any decent workable code of conduct.

It is quite irrelevant to such a case to say that perfection cannot be obtained and that man is naturally a perverse creature. Because some sewage is bound to creep into all water is no reason for killing ourselves by drinking typhoid germs. The question is: do you believe in the general sanitary principle of keeping sewage out of drinking water? If you do, there is a chance, at least, that we shall not get a repetition of the pestilences of the Middle Ages. If you don't, it is certain that we shall. In the face of that broad fact, all talk about the inevitability of disease, the hazards of human life, the common fate, and the rest, is just muddle-headed evasion of the issue. There will always be crime; always undetected murders. But do you believe in the maintenance of a police or do you say that, as crime is inevitable, police systems are a mistake?

With our best endeavors, we may have war. Our national constitutions frequently break down and we get civil war. That does not mean that every state must inevitably drift

to the condition of South American Republics where every general election is a civil war; nor that, because a national constitution *may* fail, therefore constitutions are no good and perpetual civil war is the proper or inevitable method. Our social organization is so imperfect that we may well, at some juncture, find war unavoidable in the defense of our national right. But that is simply no reason at all why efforts should not be made to render the contingency less likely, to avoid drifting into that situation; nor does the fact that, in certain extremely unlikely situations, we might have to make war, make it any the less advisable to take measures to avoid positively imbecile and futile war; nor that no efforts of ours can check a drift back to chaos and savagery. It is a strange commentary upon our educational preparation for life that educated folk are perpetually guilty of childish errors of thought of this kind.

CHAPTER XI

FAITH, FORCE AND THE WORLD'S ORDER

*

THE world could not get along without police, but it could not get police without intelligence and discipline and the reasoned guidance of instinct; nor without "faith," reliance upon contract; and police forces do not arrest each other. Armies are instruments used by rival litigants; police the power behind the judge. Transfer armies from the litigants to the support of an agreed law and they become police. We do not need to police Germany, nor the Germans England, though both countries have a common interest in the maintenance of order in certain disorderly areas of the world. Let all combine to uphold a commonly agreed rule of life for nations.

THIS book is not a plea for defenselessness, it is not a plea for non-resistance. It is an attempt to undermine the impulses which at present make it impossible to use force for the effective defense of the nation and of civilization.

The whole experience of organized society proves that if force is to be used effectively for the security of the individual, one clear principle must be observed: the defense of the individual must be the obligation of the whole community, using its force to support that body of rights, or law, which gives the individual security.

If the individual cannot invoke the power of the law to defend him, but must rely upon his own force, two things happen: first, he must be stronger than any one likely to

attack him, in which case the weaker is deprived of defense, and the security of one becomes the insecurity of another; and secondly, if in a dispute with another he can only defend himself by being stronger than that other, he becomes the judge of the dispute, judge that is, not only of his own rights but of the rights of the other. The litigant is judge. If I claim the right to be judge of a dispute, I deny to the other party the right which I claim for myself.

The only way out of this dilemma is for neither to be judge; for both to accept third party judgment—which bears equally upon both—and for such force as enters to be, not the force of one litigant facing another, but the overwhelming force of the community standing behind the law.

If force is to be effective for the defense of the individual, it must be the result of the coöperation of the community to the ends just indicated.

But if the commonly accepted views of the advantages of conquest and of the nature of war as a necessary struggle for bread (views which this book attacks) are sound, then the nations will quite rightly and quite logically reject coöperation, as a sacrifice made by the strong to the weak. Coöperation will be rejected on the ground that the advantages of victory are so vastly superior to those obtained by coöperation for the enforcement of law that a state guided by consideration of advantage should not accept the latter policy.

If what another nation obtains in the way of the world's resources is merely so much taken from resources which may be needed by our children, we naturally and logically conceive of the problem, not as one of organizing a world order, but as a battle to be fought, the never-ending battle, it may be, which we come to regard as part of the rhythm of life. If we start from that view, we follow naturally with the conclusion, as already stated, that anarchy in the international field is preferable to order; that the advan-

tages of conquest, of being top dog in our relation with others, far outweigh any advantage which would come from making our power a mere contribution to the general power of civilization; come to believe that the sacrifices of national independence involved in international arrangements outweigh any countervailing advantages which an international order could offer.

But opposition to any new order proceeds more commonly from sheer confusion of thought as to the aims of the internationalist, from the belief, not that he desires the greater security of his country, but that he is indifferent to it; from confusing a proposal to organize power internationally for the defense of law, with the surrender of power altogether. The plea for doing in the international field what has been done within the nation—basing defense not upon the isolated power of each but the 'combined power of organized civilization—is so often confused with a plea for defenselessness that certain clarifications are indispensable.

Two major fallacies seem all but universal: the confusion of the functions of a national army with the function of police; and the right conclusion to be drawn from the undoubted fact that man is a quarrelsome, irrational creature. One perpetually hears "we need armies for the same reason that we need police." But the police forces do not arrest each other, are not organized to fight each other. Armies are. The safety of London does not become threatened every time the police force of Manchester increases its numbers. But every time a rival army or navy is increased, the protective power of ours is decreased. Obviously the whole analogy of army and police is false and misleading. It is not difficult to see where it goes astray.

Two nations disagree as to their respective rights in a given matter. Each insists on its own view and seeks, by its superior national power, to be in a position to enforce that view. The army in each case is the instrument which

one disputant, one party to a quarrel, uses against the other in order to be its own judge in its own cause. Police forces are powers behind the judge, the law, to prevent either of the parties from imposing his view on the other. That is to say, the purpose or function of the police, as the power behind a commonly agreed law, which prevents the litigant being the judge, is the exact contrary of the purpose or function of armies, as we have known them heretofore, which is to enable a nation, party to a quarrel, to say what the settlement of that quarrel shall be. The purpose of the police is the prevention of settlement by the preponderant force, and to ensure impartial consideration of the merits of the case; the purpose of a nation's army is to secure by virtue of its superior force settlement favorable to itself, irrespective of the view of the other party, or of any third party judgment.

The essence of the police situation, when force is taken from the litigants and put behind the law, is that neither makes a claim which he denies to the other. If I say to you: "Let us accept third party judgment in this dispute," I offer you the same rights I claim; there is an equal chance for both, equal rights for each. If I say: "I intend to be my own defender, to be stronger than you in order that my rights may be protected," then I refuse to you the right I claim—the right to be judge of the dispute. If my rights are protected, yours are not. Under that system of putting force behind the litigants, there can be no general security of right: the security of one is the insecurity of another. Armies may give justice to one (assuming that the victor is fit to be his own judge, which is asking a great deal of that human nature which we are told is so fallible) at the cost of denying equal chance of it to another. A police force gives equal rights to both.

What becomes of the contention that "armies have the same purpose as the police"?

The more we add to the power of the police supporting a

just law, the greater is the security of the whole community: the more the power of one nation or alliance is increased, the greater does the danger to the rival nation or alliance become. The second is bound to resist the increasing power of the first, because it does not know to what end its rival will use its preponderant power. It is irresponsible power. The law or rule which the more powerful is likely to lay down is the kind of law or rule which every peace treaty reveals: a gross disregard of the right of the beaten party to things which the victor claims for himself. There is, in fact, no adequate law governing the intercourse of nations; each is attempting to be its own law. And that must produce a chaos on the highways of the world.

If the complicated processes by which we live are to function effectively and well, we must have some rule and system: traffic rules, to revert to an earlier illustration. If we are ever to get such a system, two things are necessary: a general perception of their need, and the discipline to agree upon a few fundamental rules and to coöperate in the creation of a common power to stand behind them, behind the traffic cop. Such a power may well be merely the pooled power of nations pledged to that specific and single purpose.

A rule is indispensable, not because men are necessarily evil, but rather because they may honestly differ, not merely as to rights, but the right way to conduct daily life. The modern motor car road would seem to become completely unusable if, instead of rules and system, we trusted to the "innate goodness" of the users, letting each drive as he saw fit, guided only by the light of nature and a good heart. It is just when each party to a quarrel is honestly, sincerely, and passionately convinced that he is right (and the other wrong) that the danger of collision is greatest. Yet usually both sides in the discussion of war and peace seem to overlook this fact: the militarist who says that

"of course we should be fair; I want my country to be just, and it always is, and so foreigners can trust to my strength"; and the Pacifist, who implies that if only men observed the moral law, there would be no collision. But what *is* the moral law in its application to a given case? How does it determine whether we should drive to the right or to the left?

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THE question at this stage of society's development is not whether there should be no force, but whether it should be the competitive force of individuals each asserting his own view, or the common power of the community restraining individual violation of the common rule; whether the force should be in the hands of rival litigants or in the hands of the judge, the law.

This same falsification of issue, the presentation of "Force or Faith," as rival or alternative policies, is at the root of the confusion involved in the case of the militarist who says:

I don't want war, but neither do I want—nor do I intend—to put my country's rights in jeopardy, and to prevent that I will risk war.

You Pacifists apparently won't. You are prepared, so far as I can judge, to surrender your country's rights, to leave them at the mercy of foreigners; to trust to their kindness. I am not. War is bad, but supine surrender of your rights is worse.

The Pacifist has allowed the assumption to grow up that his method *does* take greater risks with national security than does the militarist's. But, as we have seen, it is the militarist's which, in the end, must by its very nature fail; all round security by the method of national predominance being a physical impossibility. The Pacifist, the international case, ought to be based, first and foremost, upon the needs of National Defense, on the fact that only by its method can national defense be permanently achieved.

When the militarist argues that "you cannot depend on paper guarantees but must trust to manly fists," he quite overlooks the fact, of course, that whether the manly fists fight with you or against you depends upon contracts, paper guarantees. Indeed, whether our army or navy is loyal, or mutinies against its officers, depends not on physical force (the officers are inferior in force to the men) but upon moral things—discipline, tradition, contract. Whether our army or navy is adequate depends on the force which it has to meet. A nation with two ships, while its enemy had one, would be strong; with two hundred, it would be weak, if its enemy had three hundred. But the force which our navy has to meet depends upon Alliances—whether this or that navy is going to fight with us or against us. And that depends upon the keeping of contracts, the reliance that can be placed upon an undertaking given, upon the moral factor behind force. It is this moral factor which decides the effectiveness of power, the social or anti-social quality of force, a fact which runs through the whole problem of the employment of physical force. Physical force can only be set in motion in human affairs by human wills. Battleships don't get built and guns fired off without the intervention of human intelligence pursuing certain ends.

Any employment of physical force where bodies of men are concerned involves reliance upon "paper guarantees," "Faith," "moral power," whether it be a question of organizing a pirate crew or a metropolitan police force. Unless a pirate crew can be depended upon not to wreak private vengeance against its own members when in the midst of a fight; unless the captain keeps faith as to the division of the loot, it will go to pieces in a week. The success of piracy depends upon the ability of men to abide by a contract, particularly the undertaking not to use force—against each other. And as for each nation "depending upon its own strength," the veriest tyro in diplomacy knows

that to be rubbish. For the nation which can depend upon itself alone is at the mercy of the first alliance combination that rivals care to create. The great modern wars are not between single states but between alliances, and the preparation for every war is the arrangement of alliances. Upon the success with which the diplomats can exercise moral, argumentative force, the ultimate outcome usually depends. "Talk and arguments are useless in the face of bayonets," says the Major-General. But only by talk and arguments could the bayonets be brought there—arguments in newspapers to support the war, arguments in parliament for the voting of conscription, arguments with other states to become our allies, arguments of the recruiting sergeant, arguments between the general staff; and, in fact, whether the bayonets are to be used to fight for us or against us depends also upon argument.

Before police is possible, there must enter something other than force: agreement to create the police. That agreement, that moral factor, must precede the factor of force: police forces cannot act to get themselves created. But one may go further. If the general recognition of the utility of traffic rules were so defective that we had to have a policeman on every car to see that its driver observed the rules, then the use of motor cars would be impossible. Our lives on the road today depend on the other man having sense enough to see the virtue of keeping to his own side of the road. Police are indispensable, but they would be quite useless without a general recognition of the value of traffic rules; indeed, the police could not be there at all except as the result of previous organization of society, a piece of social coöperation which has not, and could not have arisen as the result of coercion. We talk of power as being the ultimate fact in the state; but the things which produce the power, which makes it possible to create a common power, to establish police forces, is a moral thing, the recognition of a social truth. Furthermore, if the

police themselves did not see the advantage of keeping their contracts, but had to be coerced in every situation, we should then have to have a police to police the police, and then another to police that police, and so on. The answer to the old Roman's question as to who guards the guardians, is that the final guardian is and can only be public understanding and intelligence, the assumption that mutually advantageous contracts are, on the whole, likely to be kept. But the parties to the contract must see the common advantage.

No society like ours—densely packed, with a high standard of living—could carry on if members had to be forced to their tasks, or could not be depended upon to perform them without compulsion. If every railway signalman had to have a policeman standing over him to see that he did not go to sleep, one half of the population would be policing the other half. And who would then see that the policemen were on duty? The proposition that “the state is force” is a patent fallacy. Force is an instrument which the State is able to use within definite limits by virtue of certain preëxisting traditions, moral assumptions, on the part of its subjects. Without those moral premises, the State could not function at all, could not use its “force.” Society, indeed, at one stage is dependent upon adherence to an implied agreement not to use force. If a Government in power decided to disregard an adverse vote and to proclaim itself dictators for life, what would a nation do? Raise an army of rebellion. Very well. What if the chiefs of that victorious army, or the politicians behind it, in their turn refused to abide by the contract to vacate power when the elections went against them? More “force” in the shape of a new army of rebellion? But that, in its turn, will become the tyrant unless it decides to refrain from using its power and obey the will of the nation. No “force” can protect the nation here from the tyranny of governmental power (it does not protect the South American Republics, where

the conditions just described obtain); only a tradition of political contract-keeping can do that.

Note too, that the effectiveness of any "sanction," the restraining influence of punishment under law, depends upon the existence of a certain moral quality on the part of the prospective criminal, namely, the capacity to balance advantages, interests. A visitor to Macedonia, in the old days, asked a Turkish official why every traveler or mail cart had to be protected with a guard of soldiers. "Why not establish a gendarmerie, and police the country properly, and you would not have to send soldiers with every mail cart or travelers' wagon?" To which the Turkish official in effect replied: "But brigands, seeing a traveler unprotected, will inevitably attack him. Brigands are not people capable of carrying on a complicated process of reasoning: 'If I attack, I shall probably get caught, and if I get caught I shall be tried, and if I'm tried I shall be convicted, and if I'm convicted I shall be hung.' Why, if brigands could argue like that, they would not be brigands; they would be university professors predicting the future."

Yet the whole penal system of the western world is based on the assumption that even the criminal is capable of the degree of "rationalism" which so amazed the Turkish official. Indeed, without it, our civilization would completely fail to "work"; even its "force" would fail to work.

I am not here re-stating the "social contract" theory of society. It is true that the state has grown out of the fact of some central power gradually enlarging itself, by overcoming smaller, and so creating a center of authority. But even in the development of the modern state from feudal authority, agreement between feudal chiefs had to play a rôle; and my point is that this agreement must play an increasing rôle, and sheer domination a diminishing rôle, in the conditions of the modern world, for the reasons that I have already touched upon: the complications of modern

society give the persons or parties or nations we would dominate a power of resistance not before possessed; and they constitute part of a whole, a machine, to which we belong and which we cannot afford to throw out of gear. Even if we did fight Germany, we could not dominate her nor she us, as we have dominated, say, India. We do not need so to dominate Germany. Our work in India has, on the whole, been truly a police work: the maintenance of order between warring small states and factions. But we do not need to keep order in Germany, and Germany does not need to keep order in Britain, and the latent struggle therefore between these two countries is futile. It is not the result of any inherent necessity of either people; it is the result merely of that woeful confusion which so bedevils statecraft today.

Where the condition of a territory is such that the social and economic coöperation of other countries with it is impossible, we may expect the intervention of military force, not as the result of the "annexationist illusion," but as the outcome of real need for the maintenance of order. That is the story of Great Britain in Egypt, or, for that matter, in India. But foreign nations have no need to maintain order in the British Colonies, nor in the United States; and though there might be such necessity in the case of countries like Venezuela, the last few years have taught us that by bringing these countries into the great economic currents of the world, and so setting up in them a whole body of interests in favor of order, more can be done than by forcible conquest. We occasionally hear rumors of German designs in Brazil and elsewhere, but even the modicum of education possessed by the average European statesman makes it plain to him that these nations are, like the others, "too firmly set" for military occupation and conquest by an alien people.

It is one of the humors of the whole Anglo-German conflict that so much has the British public been concerned

with the myths and bogies of the matter that it seems calmly to have ignored the realities. While even the wildest Pan-German has never cast his eyes in the direction of Canada, he has cast them, and does cast them, in the direction of Asia Minor; and the political activities of Germany may center on that area for precisely the reasons which result from the distinction between policing and conquest which I have drawn. German industry is coming to have a dominating situation in the Near East, and as those interests—her markets and investments—increase, the necessity for better order in, and the better organization of, those territories increases in corresponding degree. Germany may need to police Asia Minor.

What interest have we in attempting to prevent her? It may be urged that she would close the markets of those territories against us. But even if she attempted it, a Protectionist Asia Minor organized with German efficiency would be better from the point of view of English trade than a Free Trade Asia Minor organized *à la Turque*. Protectionist Germany is one of the best markets that we have in Europe. If a second Germany were created in the Near East, if Turkey had a population, with the German purchasing power and the German tariff, the markets would be worth many times what, in fact, they are. Why should we try to prevent Germany increasing our trade? To prevent her doing in a small degree what we have done in a large degree?

We do not readily come to agreements about these tasks of policing the world because we have not the habit of regarding our problem as the common task of the maintenance of equal traffic rules for each. We still think of power as the instrument by which each may capture for himself exclusive "possessions."

If we really examined these questions without the old meaningless prepossessions, we should see that it is more to our interest to have an orderly and organized Asia Minor

under German tutelage, than to have an unorganized and disorderly one which should be independent. Perhaps it would be best of all that Great Britain should do the organizing, or share it with Germany, though England has her hands full in that respect—Egypt and India are problems enough.

Why should we forbid Germany to do in a small degree what we have done in a large degree? Sir Harry Johnston, in the *Nineteenth Century* for December, 1910, comes a great deal nearer to touching the real kernel of the problem that is preoccupying Germany than any of the writers on the Anglo-German conflict of whom I know. As the result of careful investigation, he admits that Germany's real objective is not, properly speaking, England or England's Colonies at all, but the undeveloped lands of the Balkan Peninsula, Asia Minor, Mesopotamia, down even to the mouth of the Euphrates. He adds that the best informed Germans use this language to him:

In regard to England, we would recall a phrase dropped by ex-President Roosevelt at an important public speech in London, a phrase which for some reason was not reported by the London press. Roosevelt said that the best guarantee for Great Britain on the Nile is the presence of Germany on the Euphrates. Putting aside the usual hypocrisies of the Teutonic peoples, you know that this is so. You know that we ought to make common cause in our dealing with the backward races of the world. Let Britain and Germany once come to an agreement in regard to the question of the Near East, and the world can scarcely again be disturbed by any great war in any part of the globe, if such a war is contrary to the interests of the two Empires.

It is because the work of policing backward or disorderly populations is so often confused with the annexationist illusion that the danger of squabbles in the matter is a real one. Not the fact that England is doing a real and useful work for the world at large in policing India creates jealousy of her work there, but the notion that she in some way "possesses" this territory, and draws tribute and exclusive advantage therefrom.

Other nations can only have access to the territory which Britain rules by her grace. There is a fear that she might exclude others. There are no established international rights, no clearly and formally recognized obligations to the rest of the world. That, nations feel, is hardly good enough as the basis of what may prove indispensable economic needs. So each wants, if possible, to occupy the position of "possessor" and do the policing, and out of this competition arises the ridiculous and dreadful see-saw of power that we know.

Instead of the users of the highway sitting down together to establish workable rules of the road so that all can travel it in peace and safety, each tries to grab his bit; to exercise exclusive sovereignty over that bit and assert the right to keep other users off it.

Note how the thing works out in practice:

Here are two States. One of them is, we will suppose, a seaboard State, commanding ice-free harbors, rivers, lines of communication, or raw materials, indispensable, it may be, to the economic expansion, or well-being, of life of a neighboring State, situated in the hinterland. Some dispute occurs with reference to the use of these harbors or rivers, and the seaboard State, being sovereign and independent, at some stage of the discussion says in effect to its neighbor:—

You need the use of these harbors, rivers, roads, canals, raw materials. Note that we alone shall be judge as to whether you shall have such use, or upon what conditions. Since we are an independent sovereign State, we can forbid such use if and when it seems good to us. If we care, in our harbors, to charge your ships twice or ten times the dues that we charge our own ships, that is entirely our affair. Are we not a sovereign and independent State? If, in the case of this inter-oceanic canal, indispensable as it may be to your commerce, we care to denounce existing treaties, and to exempt our ships from tolls altogether, in order that the upkeep of the canal shall be thrown upon you, that again is entirely our affair. Isn't it *our* canal? Don't we own it?

Or words, with the proper diplomatic (though, in the case of inter-oceanic canals, sometimes transatlantic) accent, to that effect.

Does the State of the hinterland accept this? Sooner or later it will say:—

In a difference over things indispensable to the life of our people, in a dispute in which you are an interested party, you claim to be sole judge as to what is fair. Such a claim threatens our vital interest, threatens indeed our indispensable freedom and security.

We have here, of course, the raw materials of a very pretty quarrel. The dispute gets heated; both sides lose their tempers badly, both sides call it Patriotism, and there results, sooner or later, war.

We will assume that the State of the hinterland, having made sure of Allies by promising them bits of its enemy's territory, is victorious, annexes what it needs and secures warm water harbors, both sides of the river, canals, main artery railroads, ore fields, oil wells, or what not, the things necessary for its economic expansion.

Well, you may say, here is a clear case of military power being economically effective, a means of obtaining most desirable economic ends.

But is this the end of the drama? It is only the first act. What is the next stage? We have now, of course, an irredentist territory: an Alsace, an Ireland, a Bohemia. The hinterland State has done violence to the principles of nationality, and there begins, among its new subject nationalities, agitations, plots. Poets sing, orators declaim, patriots assassinate, and this time it is the seaboard State that may have the best of the alliance combinations.

And, if you would get an idea of how strong may be the means of resistance possessed by even a small State, and what forces, during a period of years, it can mobilize against a great one, just examine the history of, say, the Irish during the last fifty years.

Mighty as were the conquerors in the case of this little prisoner, he made it extremely difficult for them to go about their own business in peace. Whether the Irish were at Westminster or at war, English politics were again and again complicated by this everlasting question. When Englishmen ought to have been deciding their own issues, they were divided over the Irish. Ireland came between us and the Americans. She rendered difficult the shaping of foreign policy, created obstacles for us in things as apparently remote as the Panama tolls question and American coast-wise shipping laws. In such ways as these, among others, Ireland organized a resistance extremely costly to overcome. In the end we gave up the method of perpetual coercion, and again, like the conqueror in the allegory, found it wise to come to a bargain.

And so, in our story of the two States, the conquest of the seaboard State by the hinterland is only the first act. The second is the story of the conquered State's resistance in the fashion of Alsace, Ireland, the resistance which sooner or later provokes a new war. In this new war, we will suppose it is the border State which is successful. It is now "liberated," is once more a Free, Independent, and Sovereign State.

Begins now Act III. What does our seaboard State do with its new Freedom, Independence, Sovereignty, with Victory? It reasserts—with greater violence than ever, of course, because it has now old scores to pay off, old oppressions to avenge, and a new authority to exercise—the very selfsame attitude, the selfsame claims—with a few added—which led to war in Act I. Once more, it says to its neighbor of the hinterland:—

You need access to the sea, along our rivers, the use of our harbours, canals, railroads, access to iron, nitrates, palm nuts, markets, colonies, undeveloped territories. We shall be judge of whether you shall have it, and on what conditions. You cannot live without this iron? We have taken your arms and yet give you no protection against your armed neighbors? And you must

live? We do not see the necessity. And, in any case, we shall be judge.

And so, of course, the fundamental difficulty is more acute than ever. For the victor has probably taken such iron or colonies or ice-free ports which the hinterland had, by way of "larning it to be a toad."

Does any one suppose that Act III is the last Act? That this new distribution of irresponsible power is at last the "permanent solution" of mankind? If it is possible for a little State to resist a big so successfully, why should the big, when placed in the position originally occupied by the little, be any less successful? Of course, the game goes on. New plots, new alliances, new war; new punitive treaties, more scores to pay off, more revenge due, and the last punitive treaty which was to punish the previous war, arising out of the previous punitive treaty, which was vengeance for the war before that... *da capo, ad infinitum*—I had almost written *ad nauseam*, but vengeance knows no nausea.¹

Of course, the fatal and infernal cycle of futility, falsehood and death might be broken, if, on the morrow of war, the victor, whichever of the two it might be, were to say:

We have quarreled over certain things, security, strategic frontiers, undeveloped territory, raw materials, lines of communication—for a hundred years, or five hundred years. We might go on quarreling to the end of time. We realize that you need access to certain things over which we have control, certain freedoms of movement in areas under our political dominion. Let us come to a bargain about all this. We will agree upon certain mutual conditions, devise a Bill of Economic Rights. And as there are several of us concerned (there always are several), instead of pitting our force one against the other, everybody trying to be stronger than

¹ "In fixing reparations," says M. Clemenceau in the preface to M. Tardieu's book, "we must take into consideration Sedan and Waterloo, to go no further back." (My italics.) ("Waterloo et Sedan, pour ne pas remonter plus haut, nous imposaient d'abord les douloureux soucis d'une politique de réparation.")

In the next war, the punitive treaty will be based on the need of securing punishment and reparation for the burning of Joan of Arc.

everybody else, we will pool our power, and put it behind that Bill of Rights or that body of law.

If that happened, the two parties would have taken the first step towards doing, for the society of nations, what has already been done for the society of individuals within each State. Power would stand as the commonly possessed instrument for the impartial enforcement of the common body of law, instead of being, as it is among nations, the instrument by which each tries to impose his own view of his own rights.

Why is not such a step taken? Why do we not adopt what is plainly the wise, the simple, effective, and only solution of the greatest failure of human wisdom and intelligence that our life on the planet can show?

CHAPTER XII

WHAT MAKES US FIGHT? AND NEED WE?

*

MEN love power and domination so much that they never abandon it so long as they believe that they can achieve desired ends by its means. But when we realize that it simply won't give us what we want, we shall turn to coöperation instead; and our wants change. That men should fight is perhaps part of their nature; but what they fight about is part of their nurture, habit, training, tradition, ways of thought. We now see that it is irrelevant and unworthy to fight about religion; we could as readily come to see that it is irrelevant and self-defeating to fight about our nationalisms.

WELL, why do we not do it? First, because we refuse to face its need, and refuse to face the failure of the old method. Without any sort of doubt, there is a strong instinctive push everywhere to preserve the military method for its own sake, quite apart from anything it really achieves in the way of security or advantage. (And, incidentally, one of the advantages of this discussion is that it compels us at all points to ask what it is we really want—prosperity, economic security, the satisfaction of pride, or what; and, particularly if one of these wants is in conflict with others, how much we want it.) For it is quite obvious that, with very many whose attitude determines public policy, these very rudimentary questions have not been asked.

Those who have followed at all closely the peace advocacy

of the last few years will have observed a curious shifting of ground on the part of its opponents. Until quite recently, pacifists were generally criticized as unduly idealistic, sentimental, oblivious to the hard necessities of men in a hard world of struggle, and disposed to ask too much of human nature in the sense of altruistic self-sacrifice on behalf of "a Sunday School view of life." We were given to understand that while peace might represent a great moral ideal, man's evil passions and cupidity would always stand in the way of its achievement. The citations I have given in Chapter II of this book prove sufficiently, I think, that this was, until quite recently, overwhelmingly the position of those who took the view that war is an unavoidable part of human struggle.

During the last few years, however, the militarist position has shifted. Peace, we are told by those who oppose the pacifist movement, may ensure the material interests of men, but the spiritual nature will stand in the way of its ever being achieved! Pacifism, far from being branded as too idealistic and sentimental, is now scorned as "sordidly material."

It is not for the purpose of a cheap jibe that attention is called to this change of position. Throughout, as the reader may testify, this book has insisted upon the importance of doing every justice to the moral case for war.

My object in calling attention to this unconscious shifting of ground is merely to suggest that the economic case for war has become practically untenable, and has consequently compelled those who defend war to shift their ground.

Writing in 1912, Admiral Mahan criticizes this book as follows:

The purpose of armaments in the minds of those maintaining them is not primarily an economical advantage in the sense of depriving a neighbouring State of its own or fear of such consequences to itself through the deliberate aggression of a rival having that particular end in view. . . . The fundamental proposition of the book is a mistake. Nations are under no illusion as to the unprofit-

ableness of war in itself. . . . The entire conception of the work is itself an illusion, based upon a profound misreading of human action. To regard the world as governed by self-interest only is to live in a non-existent world, an ideal world, a world possessed by an idea much less worthy than those which mankind, to do it bare justice, persistently entertains.¹

Yet hardly four years previously Admiral Mahan had himself outlined the elements of international politics as follows:

It is as true now as when Washington penned the words, and will always be true, that it is vain to expect nations to act consistently from any motive other than that of interest. This under the name of Realism is the frankly avowed motive of German statecraft. It follows from this directly that the study of interests—international interest—is the one basis of sound, of provident, policy for statesmen. . . .

The old predatory instinct that he should take who has the power survives. . . . and moral force is not sufficient to determine issues unless supported by physical. Governments are corporations, and corporations have no souls. . . . must put first the rival interests of their own wards. . . . their own people. Commercial and industrial predominance forces a nation to seek markets, and where possible to control them to its own advantage by preponderating force, the ultimate expression of which is possession. . . . an inevitable link in a chain of logical sequences: industry, markets, control, navy bases.²

Admiral Mahan, it is true, anticipates this criticism by pleading the complex character of human nature (which no one denies). He says: "Bronze is copper, and bronze is tin." But he overlooks the fact that if one withholds copper or one withholds tin it is no longer bronze. The present author has never taken the ground that all international action can be explained in the terms of one narrow motive, but does take the ground that if you can profoundly modify the bearing of a constituent, as important as the one to which Admiral Mahan has himself in his own work attributed such weight, you will profoundly modify the whole

¹ *North American Review*, March, 1912.

² *The Interest of America in International Conditions*. London: Sampson Low, 1908.

texture and character of international relations. Thus, even though it were true that the thesis here elaborated were as narrowly economic as the criticism I have quoted would imply, it would, nevertheless, have, on Admiral Mahan's own showing, a very profound bearing on the problems of international statecraft.

Much mischief arises from confusing the term "economic" with "selfish." The long sustained efforts of parents to provide fittingly for their children—efforts continued, it may be, through half a lifetime—are certainly economic. Just as certainly, they are not selfish in any exact sense of the term.

What picture is summoned to our minds by the word "economics" in relation to war? To the critics whose indignation is so excited at the introduction of the subject at all into the discussion of war—and they include, unhappily, some of the great names of English literature—"economic" seems to carry no picture but that of an obese Semitic stockbroker, in quaking fear for his profits. This view cannot be said to imply either much imagination or much sense of reality. For among the stockbrokers, the usurers, those closest to financial manipulation and in touch with financial changes, are to be found some groups, numerically small, who are more likely to gain than to lose by war; and the present writer has never suggested the contrary.

But the economic futility of war expresses itself otherwise; in hunger, disease, dying children,—millions rendered greedy, selfish, violent, by the constant strain of hunger; resulting in social unrest that may mean the disintegration of civilization.

Speaking broadly, I do not believe that men ever go to war from a cold calculation of personal advantage or profit. I never have believed it. It seems to me an obvious and childish misreading of human psychology. I cannot see how it is possible to imagine a man laying down his life on the battlefield for personal gain, unless he is quite

unusually certain of his mansions in the skies. Nations do not fight for their money or interests, they fight for their rights, or what they believe to be their rights, particularly the most elementary of all rights, the right to existence, the right of a population to bread and a decent livelihood.

Perhaps the true explanation of Admiral Mahan's emphatic contradiction of himself is that none of us knows really just what motive he is obeying. The whole tendency of modern psychological research would seem to show that we do something because we want to, and then try to find reasons for making it appear reasonable. This would seem to apply particularly to collective acts and policies, where the sense of responsibility is watered down; watered down by a process in which A justifies himself because B is taking the same line and B because A is taking it.

In an earlier work of the present writer,¹ an attempt was made to reveal the nature of patriotism by analyzing certain violent manifestations of it: the explosions of American Anglophobia over the Venezuelan dispute, the American war on Spain, the Dreyfus case in France, and the Boer War in England. In each case, we saw a whole people violently moved by what they declared to be Patriotism—desire for the welfare of their country. But it was obvious that the American people were not thinking of the national welfare in risking war with Britain over the boundary line between British Guiana and Venezuela, and then a few months later actually going to war with Spain for the independence of Cuba, which would shortly in any case have been achieved without war. Such policies were not, in fact, dictated by a desire to better the condition of the American people. The Americans, at that time, were excited about war as, at other times, they become excited about baseball; they wanted war as the British people, a little

¹ *Patriotism under Three Flags: A plea for Rationalism in Politics.* London, 1903.

later, wanted war against the Boers, and certain sections of the French public wanted the condemnation of Dreyfus because they did not like Jews. They all justified, to themselves and to others, the doing of what they wanted, by invoking considerations which sounded reasonable and realistic.

Having got thus far in analyzing the causes of war, the popular conclusion is that you can do nothing about it; that, since men act from motives which have little relation to advantage, it is useless to discuss the disadvantages of a given line of conduct; that conduct which has its roots in instinctive and unexamined impulse cannot be modified; that psychological "wants" are unchangeable. But daily experience and the facts of history, to say nothing of modern psychology, show such a conclusion to be quite unsound. Unexamined impulses may be examined; first thoughts may give place to second. As a society, we certainly do not continue to want the same things which we did in the past. A thing which at one time may seem good may, as the result of discussion of whether it is really good, come to seem horrible. At one time we want to eat our enemies, to burn heretics, kill our neighbors in duels, burn negroes. But we come to look at the thing a second time and find we don't want those things at all. A given course is far more destructive or injurious to us than we had at first supposed; we find that we don't want it as much as we did. This does not mean that human nature has changed in the sense of there being a change of biological make-up, but that the fact of seeing more things, seeing them differently, things we had at first overlooked, giving a different interpretation to what we see, this different way of looking at things causes instinct and impulse to take different directions. The progress from savagery to civilization might be described as a process of bringing the first thought under the discipline of the second, of guiding instinct by bringing it increasingly under the do-

main of social intelligence. This does not necessarily mean refraining from doing what we want to do; it means getting new wants because we see facts somewhat differently.

It is a commonplace of daily observation that different persons will act differently to the same stimulus owing to a difference of early suggestion, habit, training, estimate of values. Both the Briton and the Hindu are alike in that, when they go without food, both are hungry. But the first thinks of juicy beef steaks; the second, if he had beef steaks, would vomit. It is not that the second differs physiologically from the first. The lining of the Hindu's stomach is just the same as the Briton's, but habit and suggestion have caused the former to want and like different things; to get his satisfaction in ways which differ from the Briton's. It is equally "human nature" for the one to take pleasure in the thought of beef steak and for the other to be revolted.

To talk as though man must always gratify his animosities and pugnacities in exactly the way he has done in the past, as though wants remain the same, is surely to challenge all human experience.

Nor is it a question of attempting to "dominate strong emotions by feeble reason." The power of reason is, if you will, feeble. So is the "power" which swings the needle of a ship's compass: microscopic compared to the twenty thousand horse-power developed in the ship's engines. Yet whether the forces of those engines is to save or wreck the ship will depend at times upon the feeble power of the compass. If the needle, feeble as is its power, points truly, the greater the power developed in the engines, the greater will be the chance of the ship's riding out the gale and keeping off the rocks. If the compass is deflected, the greater will be the smash when the error piles the ship upon the reef. Our reason and will are the compass; our emotions the engine.

Across the street, I see a lifelong enemy whom for years I have been plotting to murder. My passion has become mania. No appeal to sweet reasonableness can possibly divert me from my course. I am quite beyond reason and argument. Yet a piece of logic causes my passion instantly to be diverted. A friend with me points out that the man has five fingers on his right hand: my enemy had only four. This piece of reasoning of pure logic reveals to me that it is a case of mistaken identity, and I no longer wish to kill this particular man; my wish is completely altered by the different way in which I am brought to see facts.

It is true that we want to satisfy national pride of place, satisfy our dislike of foreigners. These are strong impulses, it may well be. But we also want not to ruin our trade, our national prosperity, and, if it is brought clearly before us that the result of indulging the impulse will be just that ruin, the one want will counterbalance the other. And the way we feel about it will be largely determined by the way we think about it, by the degree of clarity and force with which we see what is indispensable to our nation's happiness.

At this stage of man's development in the West, he has one outstanding need in order to solve his gravest social problems: a closer coöperation between the political groups. Yet the tendency is to rivalry, a contest for domination of the one by the other. And I suggest that that contest will go on, just because it has such strong instinctive roots, until we realize clearly and vividly that it won't work, will not fulfill what, after all, have become our permanent needs. To the degree to which we realize the futility of individual coercion and domination, we shall turn to partnership. But only to such degree.

An American sociologist (Professor Giddings of Columbia University) has written thus:—

So long as we can confidently act, we do not argue; but when we face conditions abounding in uncertainty, or when we are confronted by alternative possibilities, we first hesitate, then feel our way, then guess, and at length venture to reason. Reasoning, accordingly, is that action of the mind to which we resort when the possibilities before us and about us are distributed substantially according to the law of chance occurrence, or, as the mathematician would say, in accordance with "the normal curve" of random frequency. The moment the curve is obviously skewed, we decide; if it is obviously skewed from the beginning, by authority, or coercion, our reasoning is futile or imperfect. So, in the State, if any interest or coalition of interests is dominant, and can act promptly, it rules by absolutist methods. Whether it is benevolent or cruel, it wastes neither time nor resources upon government by discussion; but if interests are innumerable, and so distributed as to offset one another, and if no great bias or overweighting anywhere appears, government by discussion inevitably arises. The interests can get together only if they talk. If power shall be able to dictate, it will also rule, and the appeal to reason will be vain.

This means that a realization of interdependence—even though it be subconscious—is the basis of the social sense, the feeling and tradition which make possible a democratic society, in which freedom is voluntarily limited for the purpose of preserving any freedom at all.

It indicates also the relation of certain economic truths to the impulses and instincts that underlie international conflict. We shall excuse or justify or fail to restrain those instincts, unless and until we see that their indulgence stands in the way of the things which we need and must have if society is to live. We shall then discredit them as anti-social, as we have discredited religious fanaticism, and build up a controlling *Sittlichkeit*.

I would summarize the case thus.

The assertion of national power, domination, is always in line with popular feeling. And, in crises, popular feeling dictates policy.

The feelings associated with coercive domination evidently lie near the surface of our natures and are easily excited. To attain our end by mere coercion, instead of

bargain or agreement, is the method in conduct which, in the order of experiments, our race generally tries first, not only in economics (as by slavery) but in sex, in securing acquiescence to our religious beliefs, and in most other relationships. Coercion is not only the response to an instinct; it relieves us of the trouble and uncertainties of intellectual decision as to what is equitable in a bargain. ¹

To restrain the combative instinct sufficiently to realize the need of co-operation, demands a social discipline which the prevailing political traditions and moralities of Nationalism and Patriotism, not only do not furnish, but directly discourage.

But when some vital need becomes obvious and we find that force simply cannot fulfill it, we then try other methods, and manage to restrain our impulse sufficiently to do so. If we simply must have a man's help, and we find we cannot force him to give it, we then offer him inducements, bargain, enter a contract, even though it limits our independence.

Stable international coöperation cannot come in any other way. Not until we realize the failure of national coercive power for indispensable ends (like the food of our people), shall we cease to idealize power and to put our most intense political emotions (like those of patriotism) behind it. Our traditions will buttress and "rationalize" the instinct to power until we see that it is mischievous. We shall then begin to discredit it and create new traditions.

Is there justification in history for that hope—the hope that anti-social attitudes may be improved?

Glance back at certain outstanding cases. Take the duel. Educated people in Germany, France, and Italy will still tell you that it is "not in human nature" to expect a man of gentle birth to abandon the habit of the duel; the notion that honorable people should ever so place their honor at the mercy of whoever may care to insult them is, they assure

you, both childish and sordid. With them, the matter will not bear discussion.

Yet the great societies which exist in Great Britain, North America, Australia—the whole Anglo-Saxon world, in fact—have abandoned the duel, and we cannot lump the whole Anglo-Saxon race as either sordid or childish.

That such a change as this, which must have conflicted with human pugnacity in its most insidious form—pride and personal vanity, the traditions of an aristocratic status, every one of the psychological factors now involved in international conflict—, has been effected in our own generation should surely give pause to those who dismiss as chimerical any hope that rationalism will ever dominate the conduct of nations.

Two or three generations ago, this progress, even among Anglo-Saxons, towards a rational standard of conduct in this matter, as between individuals, would have seemed as unreasonable as do the hopes of international peace in our day. Even today the continental officer is as firmly convinced as ever that the maintenance of personal dignity is impossible save by the help of the duel. He will ask in triumph, "What will you do if one of your own order openly insults you? Can you preserve your self-respect by summoning him to the police court?" And the question is taken as settling the matter offhand.

The survival, where national prestige is concerned, of the standards of the *code duella* is daily brought before us by the rhetoric of the patriots. Our army and our navy, not the good faith of our statesmen, are the "guardians of our national honor." Like the duellist, the patriot would have us believe that a dishonorable act is made honorable if the party suffering by the dishonor be killed. The patriot is careful to withdraw from the operation of possible arbitration all questions which could affect the "national honor." An "insult to the flag" must be "wiped out in blood." Small nations, which in the nature of the case cannot so resent

the insults of great empires, have apparently no right to such a possession as "honor." It is the peculiar prerogative of world-wide empires.

Discussing the impossibility of allowing arbitration to cover all causes of difference, Mr. Roosevelt remarked in justification of large armaments: "We despise a nation just as we despise a man who fails to resent an insult."¹ Mr. Roosevelt seems to forget that the duel with us is extinct. Do *we*, the English-speaking people of the world, to whom presumably Mr. Roosevelt must have been referring, despise a man who fails to resent an insult by arms? Would we not, on the contrary, despise the man who should do so? Yet so recent is this change that it has not yet reached the majority of Europeans.

The vague talk of national honor as a quality under the especial protection of the soldier shows, perhaps more clearly than aught else, how much our notions concerning international politics have fallen behind the notions that dominate us in everyday life. When an individual begins to rave about his honor, we may be pretty sure he is about to do some irrational, most likely disreputable, deed. The word is like an oath, serving with its vague yet large meaning to intoxicate the fancy. Its vagueness and elasticity make it possible to regard a given incident at will as either harmless or a *casus belli*. Our sense of proportion in these matters approximates to that of the schoolboy. The passing jeer of a foreign journalist, a foolish cartoon, is sufficient to start the dogs of war baying up and down the land.² We call it "maintaining the national prestige," "enforcing respect," and I know not what other high-sounding name. But it amounts to the same thing in the end.

¹ Speech at Stationers' Hall, June 6, 1910.

² I have in mind here the ridiculous furore that was made by the Jingo Press over some French cartoons that appeared at the outbreak of the Boer War. It will be remembered that at that time France was the "enemy," and Germany was, on the strength of a speech by Mr. Chamberlain, a quasi-ally. We were at that time as warlike towards France as we are now towards Germany. And this is only ten years ago!

Profound as is the change involved in the Anglo-Saxon abandonment of the duel, a still more universal change, affecting still more nearly our psychological impulses, has been effected within a relatively recent historical period. I refer to the abandonment by the Governments of Europe of their right to prescribe the religious belief of their citizens. For hundreds of years, generation after generation, it was regarded as an evident part of a ruler's right and duty to dictate what his subjects should believe.

As Lecky has pointed out, the preoccupation which for numberless generations had been the center round which all other interests revolved has simply and purely disappeared; coalitions which were once the most serious occupation of statesmen now exist only in the speculations of the expounders of prophecy. Among all the elements of affinity and repulsion that regulate the combinations of nations, dogmatic influences which were once supreme can scarcely be said to exist. There is a change here reaching down into the very fundamental impulses of the human mind. "Until the seventeenth century every mental discussion which philosophy pronounces to be essential to a legitimate research was almost uniformly branded as a sin, and a large proportion of the most deadly intellectual vices were deliberately inculcated as virtues."

Any one who argued that the differences between Catholics and Protestants were not such as force could settle, and that the time would come when man would realize this truth, and regard a religious war between European States as a wild and unimaginable anachronism, would have been put down as a futile doctrinaire, completely ignoring the most elementary facts of "unchanging human nature."

"Never," said a great Cardinal once in the times of religious wars, "will men cease to fight about the most important thing which concerns them—their eternal salvation." That was why, he continued, the Catholic felt such deadly

hatred for the Heretic and the Heretic for the Catholic. Such passions were inevitable, natural and even meritorious. The fires of the *auto da fe* would never cease to burn until the world was all Christian or all infidel.

Well, the Cardinal could cite many facts in his time in support of his argument. Yet men no longer burn each other on the grounds of faith, and even the Ku Klux Klan has hard work in trying not to be a Vaudeville joke. Something very important touching the way in which human nature manifests itself has been changed here. How has that change been brought about? It may be argued that it is because we no longer take religion seriously, that men have become skeptical. But that only pushes the question further back. Why have we become more skeptical, and why has that change attenuated, abolished or changed the direction of hates and passions which certainly had the appearance of being "natural"? If "talk"—the talk of the higher critics, or what not—has not altered human nature, it has altered the way in which human nature manifests itself. And that is the all-important thing.

There is one striking incident of the religious struggle of States which illustrates vividly the change which has come over the spirit of man. For nearly two hundred years Christians fought the Infidel for the conquest of the Holy Sepulchre. All the nations of Europe joined in this great endeavor. It seemed to be the one thing which could unite them, and for generations, so profound was the impulse which affected the movement, the struggle went on. There is nothing in history, perhaps, quite comparable to it. Suppose that, during this struggle, one had told a European statesman of that age that the time would come when, assembled in a room, the representatives of a Europe which had made itself the absolute master of the Infidel could by a single stroke of the pen secure the Holy Sepulchre for all time to Christendom, but that, having discussed the matter cursorily twenty minutes or so, they would decide

that on the whole it was not worth while! Had such a thing been told to a medieval statesman, he would certainly have regarded the prophecy as that of a madman. Yet this, of course, is precisely what has taken place.¹

A glance over the common incidents of Europe's history will show the profound change which has visibly taken place, not only in the minds, but in the hearts of men. Things which even in our stage of civilization would no longer be possible, owing to that change in human nature which the military dogmatist denies, were a commonplace incident with our grandfathers. Indeed, the modifications in the religious attitude just touched on assuredly arise from an emotional as much as from an intellectual change. A theology which could declare that the unborn child would suffer eternal torment in the fires of hell for no crime other than that of its conception would be in our day impossible on merely emotional grounds.² What was once deemed a mere truism would now be viewed with horror and indignation. Again, as Lecky says, "For a great change has silently swept over Christendom. Without disturbance, an

¹ In his *History of the Rise and Influence of the Spirit of Rationalism in Europe*, Lecky says: "It was no political anxiety about the balance of power, but an intense religious enthusiasm that impelled the inhabitants of Christendom towards the site which was at once the cradle and the symbol of their faith. All interests were then absorbed, all classes were governed, all passions subdued or coloured, by religious fervour. National animosities that had raged for centuries were pacified by its power. The intrigues of statesmen and the jealousies of kings disappeared beneath its influence. Nearly two million lives are said to have been sacrificed in the cause. Neglected governments, exhausted finances, depopulated countries, were cheerfully accepted as the price of success. No wars the world has ever before seen were so popular as these, which were at the same time the most disastrous and the most unselfish."

² "Be assured," writes St. Augustine, "and doubt not that not only men who have obtained the use of their reason, but also little children who have begun to live in their mother's womb and there died, or who, having been just born, have passed away from the world without the Sacrament of Holy Baptism, must be punished by the eternal torture of undying fire." To make the doctrine clearer, he illustrates it by the case of a mother who had two children. Each of these is but a lump of perdition. Neither had ever performed a moral or immoral act. The mother overlies one, and it perishes unbaptized. It goes to eternal torment. The other is baptized and saved.

old doctrine has passed away from among the realizations of mankind."

But it is not true that a change such as that involved here necessarily "takes thousands of years." I have already dealt with the plea, but would recall only one incident that I have cited: a scene painted by a Spanish artist of the Court and nobles and populace in a great European city, gathered on a public holiday as for a festival to see a beautiful child burned to death for a faith that, as it plaintively said, it had sucked in with its mother's milk.¹

How long separates us from that scene? Why, not the lives of three ordinarily elderly people. And how long after that scene—which was not an isolated incident of uncommon kind, but a very everyday matter, typical of the ideas and feelings of the time at which it was enacted—was it before the renewal of such became a practical impossibility? It was not a hundred years. It was enacted in 1680, and within the space of a short lifetime the world knew that never again would a child be burned alive as the result of a legal condemnation by a duly constituted Court, and as a public festival, witnessed by the King and the nobles and the populace, in one of the great cities of Europe.

Is it likely that a general progress which has transformed religion is going to leave patriotism unaffected; that the rationalization and humanization which have taken place in the more complex domain of religious doctrine and belief will not also take place in the domain of politics? The

¹ In the Gallery of Madrid there is a painting by Francisco Rizzi representing the execution, or rather the procession to the stake, of a number of heretics during the fêtes that followed the marriage of Charles II, and before the King, his bride, and the Court and clergy of Madrid. The great square was arranged like a theater, and thronged with ladies in Court dress. The King sat on an elevated platform, surrounded by the chief members of the aristocracy.

Limborch, in his *History of the Inquisition*, relates that among the victims of one *auto da fé* was a girl of sixteen, whose singular beauty struck all who saw her with admiration. As she passed to the stake she cried to the Queen: "Great Queen, is not your presence able to bring me some comfort under my misery?"

problem of religious toleration was beset with difficulties incalculably greater than any which confront us in this problem. Then, as now, the old order was defended with real disinterestedness; then it was called religious fervor; now it is called patriotism. The best of the old inquisitors were as disinterested, as sincere, as single-minded, as are doubtless the best of the Prussian Junkers, the French Nationalists, the English militarists. Then, as now, the progress towards peace and security seemed to them a dangerous degeneration, the break-up of faiths, the undermining of most that holds society together.

And that hundred years which I have mentioned as witnessing so amazing a development of European ideas, a period which marked an evolution so great that the very mind and nature of men seemed to change, was a hundred years without newspapers; a time in which books were such a rarity that it took years for one to travel from Madrid to London; in which the steam printing-press did not exist, nor the railroad, nor the telegraph, nor any of those thousand contrivances which now make it possible for the words of an English statesman spoken tonight to be read by forty million Germans tomorrow morning—to do, in short, more in the way of the dissemination of ideas in ten months than was possible then in a century.

When things moved so slowly, a generation or two sufficed to transform the mind of Europe on the religious side. Why should it be impossible to change that mind on the political side in a generation, or half a generation, when things move so much more quickly? Are men less disposed to change their political than their religious opinions? We all know that *not* to be the case. In every country in Europe we find political parties advocating, or at least acquiescing in, policies which they strenuously opposed ten years ago. Does the evidence available go to show that the particular side of politics with which we are dealing is notably more impervious to change and development than the

rest—less within the reach and influence of new ideas?

It is very difficult to say where the belief of those who talk of unchanging human nature of the matter of war really lies. Do they really believe that the tendency to war is ineradicable or fear that it is not? For, though they tell us so dogmatically that you can never expel man's tendency to war by "talk," they always clamor in war-time—as they did in America in the Spanish War, and in Britain during the Boer War—for the forcible suppression of Pacifist propaganda, because it undermines morale—takes away, in other words, the desire to go on with the war. And, even in peace time, the Pacifists are accused, as Colonel Roosevelt has just been accusing them, of taking away our "fighting edge"; and he thinks we need the stimulant of war, the "strenuous life," to redeem us from our tendency to slothful ease. He obviously fears that we shall not get as much war as we need. It is an old text that Ruskin used to preach.

That case was disposed of, once and for all, in a letter which appeared in the *Manchester Guardian* during the Boer War, and when this "war for the sake of our morals" argument was much to the fore. This letter was not mine (I wish it were), and is as follows:

SIR,—I see that "The Church's Duty in regard to War" is to be discussed at the Church Congress. This is right. For a year the heads of our Church have been telling us what war is and does—that it is a school of character; that it sobers men, cleans them, strengthens them, knits their hearts; makes them brave, patient, humble, tender, prone to self-sacrifice. Watered by "war's red rain," one Bishop tells us, virtue grows; a cannonade, he points out, is an "oratorio"—almost a form of worship. True; and to the Church men look for help to save their souls from starving for lack of this good school, this kindly rain, this sacred music. Congresses are apt to lose themselves in wastes of words. This one must not, surely cannot, so straight is the way to the goal. It has simply to draft and submit a new Collect for war in our time, and to call for the reverent but firm emendation, in the spirit of the best modern thought, of those passages in Bible and Prayer-Book by which even the truest of Christians and the best of men have at times been blinded to the duty of seeking war and ensuing it. Still, man's moral nature cannot, I admit, live by

war alone; nor do I say with some that peace is wholly bad. Even amid the horrors of peace you will find little shoots of character fed by the gentle and timely rains of plague and famine, tempest and fire; simple lessons of patience and courage conned in the schools of typhus, gout, and stone; not oratorios, perhaps, but homely anthems and rude hymns played on knife and probe in the long winter nights. Far from me to "sin our mercies," or to call mere twilight dark. Yet dark it may become; for remember that even these poor makeshift schools of character, these second-bests, these halting substitutes for war—remember that the efficiency of every one of them, be it hunger, accident, ignorance, sickness, or pain, is menaced by the intolerable strain of its struggles with secular doctors, plumbers, inventors, schoolmasters, and policemen. Every year thousands who would once have been braced and steelled by manly tussles with small-pox or diphtheria are robbed of that blessing by the great changes made in our drains. Every year thousands of women and children must go their way bereft of the rich spiritual experience of the widow and the orphan.

The fact is, of course, that a sedentary, urbanized people find the spectacle of war even more attractive than the spectacle of football. Indeed, our press treats it as a sort of glorified football match. This attraction constitutes a real difficulty in this matter of war, a problem of discipline which has to be faced like any other problem in the organization of human society.

There is something in warfare, in its story and in its paraphernalia, which profoundly stirs the emotions and sends the blood tingling through the veins of the most peaceable of us, and appeals to I know not what remote instincts, to say nothing of our natural admiration for courage, our love of adventure, of intense movement and action. But this romantic fascination resides to no small extent in that very spectacular quality of which modern conditions are depriving war.

To do the soldiers¹ justice, they very rarely raise this

¹ And here as to the officers—again not from me but from a very Imperialist and militarist quarter—the *Spectator* (November 25, 1911), says: "Soldiers might be supposed to be free from pettiness because they are men of action. But we all know that there is no profession in which the leaders are more depreciated by one another than in the profession of arms."

plea of war being a moral training-school. "War itself," said on one occasion an officer, "is an infernally dirty business. But somebody has got to do the dirty work of the world, and I am glad to think that it is the business of the soldier to prevent rather than to make war."

Not that I am concerned to deny that we owe a great deal morally to the soldier. I do not know even why we should deny that we owe a great deal to the Viking and other pirates. Both have bequeathed a heritage of courage, sturdiness, hardihood, and a spirit of ordered adventure; the capacity to take hard knocks and to give them; comradeship and rough discipline—all this and much more. It is not true to say of any emotion that it is wholly good, or wholly bad. The same psychological force which made the Vikings destructive and cruel pillagers made their descendants sturdy and resolute pioneers and colonists.

There is no necessity for the peace advocate to ignore facts in this matter. The race of man loves a soldier just as boys we used to love the pirate, and many of us, perhaps to our very great advantage, remain in part boys our lives through. But just as growing out of boyhood we regretfully discover the sad fact that we cannot be a pirate, that we cannot even hunt Indians, nor be a scout, nor even a trapper, so surely the time has come to realize that we have grown out of soldiering. The romantic appeal of war was just as true of the ventures of the old Vikings, and even later of piracy.¹ Yet we superseded the Vikings and we hanged the pirate, though I doubt not we loved him while we hanged him; and I am not aware that those who urged the suppression of piracy were vilified, except by the pirates, as maudlin sentimentalists, who ignored human nature, or, as General Lea's phrase has it, as "half-educated, sick-brained

¹ Professor William James says: "Greek history is a panorama of war for war's sake . . . of the utter ruin of a civilization which in intellectual respects was perhaps the highest the earth has ever seen. The wars were purely piratical. Pride, gold, women, slaves, excitement were their only motives."—*McClure's Magazine*, August, 1910.

visionaries, denying the inexorability of the primordial law of struggle." Piracy interfered seriously with civilization. We are prepared to sing about the Viking, but not to tolerate him on the high seas; and those of us who are quite prepared to give the soldier his due place in poetry and legend and romance, quite prepared to admit, with Mr. Roosevelt and Von Moltke and the rest, the qualities which perhaps we owe to him, and without which we should be poor folk indeed, are nevertheless inquiring whether the time has not come to place him (or a good portion of him) gently on the poetic shelf with the Viking; or at least to find other fields for those activities which, however much we may be attracted by them, have in their present form little place in a world in which, though, as Bacon has said, men like danger better than travail, travail is bound, alas!—despite ourselves, and whether we fight Germany or not, and whether we win or lose—to be our lot.

CHAPTER XIII

CONCLUSIONS

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THE conclusion to be drawn from the argument of this book is not that, since war is profitless, the danger of attack is past. Men are not guided by the facts, but what they believe to be the facts. Only when the futility is realized will the futility deter. One-sided disarmament is therefore of no avail and is not here advocated. But, while maintaining our arms, we must maintain our efforts to create a new order based on the recognition of those mutual obligations between nations which are necessary for fruitful coöperation. Such efforts are now unpopular so that statesmen dare not make them and take the risks involved. The necessary will can never exist so long as we believe that coöperation between nations is contrary to the laws of nature and of life and beyond man's power. This book is designed to undermine that Satanic fatalism; to prove that, though truly war will not stop itself apart from human endeavor, man can, since he makes war, also make wars to cease.

WHAT is the conclusion?

We have seen that no material advantage is to be achieved by a successful attack upon us, any more than by ours upon some one else; that an enemy, successful in war, could take neither our wealth, our gold, our trade, nor our colonies (since we don't own them); his war would certainly prove economically futile. Is the conclusion, therefore, that we need no defense; that we can abolish our armaments and invite the foreigner to do his worst?

Always have I insisted that this is not the conclusion; that the futility of war will never of itself stop war; that

only when men realize the futility will it deter them. They do not at present so realize that futility, or this book would never have been written. Policy is determined, not by the facts, but what men believe to be the facts, and that belief may be woefully mistaken.

In a pamphlet which was the first edition of this book, and repeated in every subsequent edition, is this passage:

Are we immediately to cease preparation for war, since our defeat cannot advantage our enemy nor do us in the long run much harm? No such conclusion results from a study of the considerations elaborated here. It is evident that so long as the misconception we are dealing with is all but universal in Europe, so long as the nations believe that in some way the military and political subjugation of others will bring with it a tangible material advantage to the conqueror, we all do, in fact, stand in danger from such aggression. Not his interest, but what he deems to be his interest, will furnish the real motive of our prospective enemy's action. Not the facts but men's opinions about facts is what matters. And as the illusion with which we are dealing does, indeed, dominate all those minds most active in European politics, we must, while this remains the case, regard an aggression, even such as that which Mr. Harrison foresees, as within the bounds of practical politics. (What is not within the bounds of possibility is the extent of devastation which he foresees as the result of such attack, which, I think, the foregoing pages sufficiently demonstrate.)

On this ground alone I deem that we or any other nation are justified in taking means of self-defence to prevent such aggression. This is not, therefore, a plea for disarmament irrespective of the action of other nations. So long as current political philosophy in Europe remains what it is, I would not urge the reduction of our war budget by a single sovereign.

In the enlargement of that pamphlet I wrote this:

But if preparation of the machinery of war is to be our only form of energy in this matter—if national effort is to neglect all other factors whatsoever—more and more will sincere and patriotic men have doubts as to whether they are justified in coöperating in further piling up the armaments of our country.

We take risks in accepting inferiority of power; but we take still greater risks if we drift into war because, con-

centrating all our energy on piling up arms, we have none left for composing the quarrel or difference.

In this matter, it seems fatally easy to secure either one of two kinds of action: that of the "practical man," who limits his energies to securing a policy which will perfect the machinery of war and disregard anything else; or that of the Pacifist, who, persuaded of the brutality or immortality of war, just leaves it at that, implying that national defense is no concern of his. What is needed is the type of activity which will include both halves of the problem; provision for education, for a Political Reformation in this matter, *as well as* such means of defense as will meantime counterbalance the existing impulse to aggression. To concentrate on either half to the exclusion of the other half is to render the whole problem insoluble.

What must inevitably happen if the nations take the line of the "practical man," and limit their energies simply and purely to piling up armaments?

A critic once put to me what he evidently deemed a poser: "Do you urge that we shall be stronger than our enemy, or weaker?"

To which I replied: "The last time that question was asked me was in Berlin, by Germans. What would you have had me reply to those Germans?"

The British Navy League catechism says: "Defense consists in being so strong that it will be dangerous for your enemy to attack you." And the German Navy Law providing for new construction, in its preamble, simply turns this phrase into German. Mr. Churchill goes one better and says: "The way to make war impossible is to make victory certain." This is the approved military doctrine of security: When each can beat the other, both will be safe. Until this ideal of "the practical man" is realized, the security of one will be the insecurity of the other. When the Navy League says, as it does, that a self-respecting nation should not depend upon the good will of foreigners for its safety, but

upon its own strength, it recommends Germany to maintain her efforts. When Mr. Churchill goes farther, and says that a nation is entitled to be so strong as to make victory over its rivals certain, he knows that if Germany were to adopt his own doctrine, its certain outcome would be war. If our common doctrine is true, we are asking Germany to commit national suicide.¹

Why should we assume that Germany will do it? That she will be less persistent in protecting her national interest, her posterity, be less faithful than ourselves to great national impulses? Has not the day gone by when educated men can calmly assume that any Englishman is worth three for-

¹ In an article published in 1897 (January 16) the *Spectator* pointed out the hopeless position Germany would occupy if England cared to threaten her. The organ, which is now apt to resent the increased German Navy as implying aggression upon England, then wrote as follows: "Germany has a mercantile marine of vast proportions. The German flag is everywhere. But on the declaration of war the whole of Germany's trading ships would be at our mercy. Throughout the seas of the world our cruisers would seize and confiscate German ships. Within the first week of the declaration of war Germany would have suffered a loss of many million pounds by the capture of her ships. Nor is that all. Our Colonies are dotted with German trading-houses, who, in spite of a keen competition, do a great deal of business.... We should not, of course, want to treat them harshly; but war must mean for them the selling of their businesses for what they would fetch and going home to Germany. In this way Germany would lose a hold upon the trade of the world which it has taken her many years of toil to create. ... Again, think of the effect upon Germany's trade of the closing of all her ports. Hamburg is one of the greatest ports of the world. What would be its condition if practically not a single ship could leave or enter it? Blockades are no doubt very difficult things to maintain strictly, but Hamburg is so placed that the operation would be comparatively easy. In truth the blockade of all the German ports on the Baltic or the North Sea would present little difficulty.... Consider the effect on Germany if her flag were swept from the high seas and her ports blockaded. She might not miss her colonies, for they are only a burden, but the loss of her sea-borne trade would be an equivalent to an immediate fine of at least a hundred million sterling. In plain words, a war with Germany, even when conducted by her with the utmost wisdom and prudence, must mean for her a direct loss of a terribly heavy kind, and for us virtually no loss at all." This article is full of the fallacies which I have endeavored to expose in this book, but it logically develops the notions which are prevalent in both Great Britain and Germany. And yet Germans have to listen to an English Minister of Marine describe their Navy as a luxury!

eigners? And yet such an assumption, ignorant and provincial as we are bound to admit it to be, is the only one that can possibly justify this policy of concentrating upon armament alone.

Even Admiral Fisher can write:

The supremacy of the British Navy is the best security for the peace of the world. . . . If you rub it in, both at home and abroad, that you are ready for instant war, with every unit of your strength in the first line and waiting to be first in, and hit your enemy in the belly and kick him when he is down, and boil your prisoners in oil (if you take any), and torture his women and children, then people will keep clear of you.

Would Admiral Fisher refrain from taking a given line merely because, if he took it, some one would "hit him in the belly," etc.? He would repudiate the idea with the utmost scorn, and probably reply that the threat would give him an added incentive to take the line in question. But why should Admiral Fisher suppose that he has a monopoly of courage, and that a German Admiral would act otherwise than he? Is it not about time that we abandoned the somewhat childish assumption that we have a monopoly of the courage and the persistence in the world, and that things which would never frighten or deter us will frighten and deter our rivals?

Sir Edmund C. Cox writes in the premier English review, the *Nineteenth Century*, for April, 1910:

Is there no alternative to this endless yet futile competition in shipbuilding? Yes, there is. It is one which a Cromwell, a William Pitt, a Palmerston, a Disraeli, would have adopted long ago. This is that alternative—the only possible conclusion. It is to say to Germany: "All that you have been doing constitutes a series of unfriendly acts. Your fair words go for nothing. Once for all, you must put an end to your warlike preparations. If we are not satisfied that you do so, we shall forthwith sink every battleship and cruiser which you possess. The situation which you have created is intolerable. If you determine to fight us, if you insist upon war, war you shall have; but the time shall be of our choosing and not of yours, and that time shall be now."

And that is where our present policy, the sheer bulldog piling up of armaments without reference to or effort towards a better political doctrine in Europe, inevitably leads.

The first step to composing the quarrel, to composing any quarrel, is to know what it is all about; what the ships and guns are *for*; what the Germans fear that we may do with our superior power; what *we* fear they will do if *they* become superior. These are questions which, however, never seem to get asked in international discussion.

At this moment, our popular press is attributing to Germany all sorts of schemes of conquest—including the conquest of Britain—which could only arise, so it seems to this present writer, in the minds of madmen; and the German popular press is attributing to Great Britain schemes about as wise. If indeed it be true, as I have heard it seriously stated by sober business men, that it is the intention of Germany to enslave our population, to drive our people under the lash and rifle to forced labor, to carry off our women to Prussian seraglios (all this is quite seriously alleged), then indeed, of course, we must fight to the last man and last penny. But if what Germany asks is the right to mine or trade in Morocco, to keep open the roads to the East, to build a Turkish railroad, why, presumably we could talk business and perhaps come to an agreement. But we do not know yet, with all the talk of "encirclement," naval supremacy, capture at sea and the rest of it, what we are preparing to fight for; whether it is a vital thing that we could never possibly yield or a perfectly trivial thing not worth the bones of one single seaman.

At present we feel—all nations feel—that they need to protect vast treasures which could easily be removed by envious, hungry neighbors, who believe they are as much entitled to this wealth as we are, and are on the look out for a chance to catch us napping. Out of that situation has arisen fears, suspicions, rivalry of arms.

Until we are agreed roughly as to the degree of truth in the popular assumptions, there can be no settlement.

The essence of truth is degree. This book does not argue that there is not, and could never be, such a thing as a conflict of national interests. It is not necessary to prove such absolutes in order to establish the case which I am trying to establish. But if it be true, broadly, that a nation cannot capture wealth by military means—that wealth in the modern world is of such a nature that the very fact of military seizure causes the thing we want to disappear; if, far from it being true that we *must* fight or starve, it is very much nearer to the truth to say that we shall starve unless we stop fighting; and that only by coöperation can we solve our economic problems, then to prove this is to clear the road to coöperation, to do the thing which must be done if the *will* to coöperate is to be set in motion.

For while it may not be true that, where there is a will, there is a way, it is certainly true that, where there is no will, there is no way; and there can be no will to coöperation so long as each party believes that partnership means dividing limited spoils of which he could secure the whole if only he can “conquer” that other party.

Now, though it may be true that, where you are dependent upon your partner (where, say, two fishermen are working together a fishing smack which would certainly be wrecked if one tried to work it alone), you cannot profitably destroy him, cannot seize his share of the catch without sacrificing your own—even so, it does not mean that you are ready to forego all means of protecting your rights under the terms of the partnership; does not mean surrendering all measures to ensure that you do not have more than your share of the work and less than your share of the profits.

Thus, though we may decide that fighting each other in order to seize things which cannot be seized is a silly business, and that as civilized men we must learn to coöperate, coöperation needs organizing, perhaps policing.

Collective power, expressed through police, may be necessary to give men—or nations—equality, equality of right. Circumstances give a person or a nation a position of power. There arises a difference—it may well be an honest difference—of view as to which has the rights of the matter. The stronger—fortified by his sense of right—says to the other: "That's my view. I believe I'm right: I intend to carry my view into effect, and, as you are weaker, you will just have to accept it." There is no equality of right here. The material or economic question, as we have seen, soon becomes a question of right. And, by some curious quirk of thought, this situation is supposed to justify competition of arms, the armed anarchy of the nations. But that does not ensure right of justice; it imposes injustice; compels the weaker to accept the view of the stronger however outrageous that view may be.

But if anarchy, the competition of arms, does not ensure justice, neither does non-resistance: the unresisted domination of the stronger. Power must act impartially for all, and it can only do that if it is placed behind a law or code that is applied equally to all.

Even when civilized individuals, living within the nation, accept completely the principle of social coöperation and do not base their conduct on the assumption that, in order to live, some one else has to go under—even so, we know that life can only go on by means of established rules and codes, sometimes of great complexity, covering things from motor traffic to marriage laws, banking practice and inheritance of property. Each individual must know that such rights as he possesses will be assured to him other than by his own strength, otherwise he will be his own defender of his own rights and try to be stronger than his neighbor; and that neighbor will claim the same right to be stronger, and you will then get the process of everybody trying to be stronger than everybody else,—anarchy and chaos.

That is why I do not believe that the problem of defense

can be simply ignored; nor that we can persuade men to accept sheer non-resistance as its solution. The first stage in getting rid of our instruments of coercion, or reducing them to vanishing point, is, as indicated in preceding pages, to transfer them from rival litigants to the law, to the community, to make of our armies and navies the common police¹ of civilization, standing behind a commonly agreed rule. But, before that can be done, there must be created a sense of community, a sense of our interests being common interests, not inherently, "biologically," in conflict. It is futile to lament the fact that there is no police to restrain our rival if we ourselves refuse to coöperate in the creation of a police. Before the police can exist, there must be a community; and before the community can exist, there must be a sense of common interest; and before that can exist, we must shed the false ideas which are incompatible with that sense. To that end finally—the transformation of men's ideas which determine their acts—do we inevitably come.

However we may start, with whatever plan, however elaborated or varied, the end is always the same—the progress of man in this matter depends upon the degree to which his ideas are socially workable. Again we have arrived at the region of platitude. But also, again it is one of those platitudes which most people deny.

Mr. Robert Blatchford argues in the *Daily Mail*:

Mr. Angell may be right in his contention that modern war is unprofitable to both belligerents. I do not believe it, but he may be right. But he is wrong if he imagines that his theory will prevent European war. To prevent European wars it needs more than the truth of his theory: it needs that the war lords and diplomatists and financiers and workers of Europe shall believe the theory.... So long as the rulers of nations believe that war may be expedient (see Clausewitz), and so long as they believe they have the power, war will continue.... It will continue until these men are fully convinced that it will bring no advantage.

¹ I do not mean an international force with an international commander, but the existing armies and navies pledged by treaty to maintain a common international policy. What differentiates a police force from an army is not its organisation but its purpose, its function.

Therefore, argues Mr. Blatchford, the demonstration that war will not bring advantage is futile.

I am not here, for the purpose of controversy, putting an imaginary conclusion into Mr. Blatchford's mouth. It is the conclusion that he actually does draw. The article from which I have quoted was intended to demonstrate the futility of books like this. It was by way of reply to an early edition of this one. In common with the other critics, he must have known that this is not a plea for the impossibility of war (I have always urged with emphasis that our ignorance on this matter makes war not only possible, but extremely likely), but for its futility. And the demonstration of its futility is, I am now told, in itself futile!

I have expanded the arguments of this and others of my critics thus:

The war lords and diplomats are still wedded to the old false theories; *therefore* we shall leave those theories undisturbed, and generally deprecate discussion of them.

Nations do not realize the facts; *therefore* we should attach no importance to the work of making them known. These facts profoundly affect the well-being of European peoples; *therefore* we shall not systematically encourage the efficient study of them.

If they were generally known, the practical outcome would be that most of our difficulties herein would disappear; *therefore* any one who attempts to make them known is an amiable sentimentalist, a theorist, and so on, and so on.

"Things do not matter so much as people's opinions about things"; *therefore* no effort shall be directed to a modification of opinion.

The only way for these truths to affect policy, to become operative in the conduct of nations, is to make them operative in the minds of men; *therefore* discussion of them is futile.

Our troubles arise from the wrong ideas of nations; *therefore* ideas do not count—they are “theories.”

General conception and insight in this matter is vague and ill-defined, so that action is always in danger of being decided by sheer passion and irrationalism; *therefore* we shall do nothing to render insight clear and well-defined.

Underlying these logical absurdities is an assumption which, if true, would justify them: the assumption that nothing which a man can think or say or discuss alters his conduct. An American soldier, General John Storey, puts the case:

The nature of man makes war inevitable. Armed strife will not disappear from the earth until human nature changes.

Kismet: It is the will of Allah. Let us not worry.

This philosophy makes of man's acts, not something into which there enters the element of moral responsibility and free volition, something apart from and above the mere mechanical force of external nature, but it makes man himself a helpless slave; it implies that his moral efforts and the efforts of his mind and understanding are of no worth—that he is no more the master of his conduct than the tiger of his, or the grass and trees of theirs; and no more responsible.

To this philosophy one may oppose another: that in man there is that which sets him apart from the plants and the animals, which gives him control of, and responsibility for, his social acts; which makes him the master of his social destiny if he but will it; that, by virtue of the forces of his mind, he may go forward to the completer conquest, not merely of nature, but of himself, and thereby, and by that alone, redeem human association from the evils that now burden it.

The fatalist attitude is not possible among men dominated by the tradition and the impulses of the Western World.

We do not let things slide in this way; we do not assume that, as men are not guided by reason in politics, therefore we shall not reason about politics. The time of statesmen is absorbed in the discussion of these things. Our press and literature are deeply concerned in them. The talk and thought of men are about them. However little they may deem reason to affect the conduct of men, they go on reasoning. And progress in conduct is determined by the degree of understanding which results.

What, in short, does the argument of my critics amount to? This: that so slow, so stupid is the world that, though the facts may be unassailable, they will never be learned within any period that need concern us.

I sometimes wonder that it has never struck these critics that in the eyes of the profane this attitude of theirs must appear really as a most colossal vanity. "We" who write in newspapers and reviews understand these things; "we" can be guided by reason and wisdom, but the common clay will not see these truths for "thousands of years." I talk to the converted (so I am told) when my book is read by the editors and reviewers. *They*, of course, can understand; but the notion that mere diplomats and statesmen, the men who make up Governments and nations, should ever do so is, of course, quite too preposterous.

Personally, however flattering this notion might be, I have never been able to feel its soundness. I have always strongly felt the precise opposite—namely, that what is plain to me will very soon be equally plain to my neighbor. Possessing, presumably, as much vanity as most, I am, nevertheless, absolutely convinced that simple facts which stare an ordinary busy man of affairs in the face are not going to be for ever hid from the multitude. Depend upon it, if "we" can see these things, so can the mere statesmen and diplomats and those who do the work of the world.

Moreover, if what "we" write in reviews and books does

not touch men's reasons, does not affect their conduct, why do we write at all?

We do not believe it impossible to change or form men's ideas; such a plea would doom us all to silence, and would kill religious and political literature. "Public Opinion" is not external to men; it is made by men; by what they hear and read and have suggested to them by their daily tasks, and talk and contact.

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It is customary to talk in this connection of the necessarily slow changes of outlook, with the implication that great wisdom and great knowledge on the part of millions must be a part of the process of change. But, as we saw in the last chapter, the great changes, like those which marked the change in the attitude of the state to religious belief, are due, not to a knowledge of many facts, intricate learning, but to a clearer perception of the meaning of simple, everyday facts. It is with such, after all, that this book has mainly dealt.

If little apparently has been done in the modification of ideas in this matter, it is because little relatively has been attempted. Millions of us are prepared to throw ourselves with energy into that part of national defense which, after all, is a makeshift, into agitation for the building of *Dreadnoughts* and the raising of armies, the things in fact which can be seen, where barely dozens will throw themselves with equal ardor into that other department of national defense, the only department which will really guarantee security, but by means which are invisible—the clarification of ideas.

No attempt is made in these pages to draw up schemes of world government. There have been many such in the past, as there will be many in the future. One of them was known as "the Grand Design of Henry IV," and of it a fellow monarch said in effect this: "It is perfect. There is

not a flaw in it, save perhaps this: not a single earthly prince would dream for a moment of agreeing to it." And that is the defect of all these paper schemes, drawn up in disregard of the existing way of thought, of feeling. So long as that is disregarded, it is true to say of the schemes that "the Best is the Worst," in the sense that, the better they are as a piece of logical governmental mechanism, the more remote they are likely to be from the familiar, the everyday; paying least regard to the prejudices, blind spots, follies of the ordinary man, which have produced the defects they are designed to cure. And the statesmen, politicians, are justified, therefore, when they refuse to take much interest in plans which they are perfectly aware their publics will never accept. But is that the end of the matter? Does it mean that the world can never be governed by sense and reason—or, rather, that the degree of sense and reason which enters into government can never be increased; that nowhere is more wisdom possible? Of course, we don't believe that, for if we cannot in this matter get more wisdom, we shall get less. Note where lies the dominant error in this matter. The politician or statesman says: The only effect of my standing for your Grand Design would be to cause my party to be turned out of, or banned from, office by an angry electorate whose ideas of patriotism, national welfare, morality and religion it outrages. How much forrader would we be? Even if I believed in your scheme, what purpose would be served by smashing my party and having the electorate smash your Design? You would not be any nearer to the achievement of your ends. Your scheme simply is not "practical politics."

And the general conclusion is that that finishes the matter, and that practical folk need pay no further attention to it.

But this implies gross confusion as to the proper function of the politician. His function is not to change the common mind but to represent it. To possess the common mind to

an uncommon degree, to become leader because he follows, is nine-tenths of the secret of political success. And it is, in truth, folly to suppose that a man could ever become leader by flouting the real convictions of those he leads. For a politician to expect that the millions will steadily vote against their honest convictions would be utter childishness. This does not mean that convictions can never be changed. The history of the world is there to show that they can be: in the deepest and most vital things that concern us, in morality, in our ideas of what is right and what wrong, in religion, in our ideas of God; our ideas of honor; our ideas of what is important and what unimportant, there occur revolutionary changes sometimes in a generation or two. A multitude of things which our forebears regarded as manifestly right or excusable—human sacrifice, slavery, polygamy, autocracy, judicial torture, the duel—we regard as shamefully wrong or silly. Much of what we regard as manifestly right or good, our forebears would have regarded as monstrously wicked. So convictions can change. But the democratic politician, dependent for his political life upon votes—votes rapidly obtained in the whirl of an election—cannot change them. All he can do is to reflect or register changes or modifications that have gone on in the public mind, usually as the result of forces outside politics.

In this matter, it is the business of those outside politics to prepare the ground for the wiser politician; to make it possible for him to advocate the right course, because, while that course may not have received formal recognition on party platforms, it is sufficiently near the surface in popular feeling to be brought up if given a push by good political leadership; or, to vary the metaphor, the ideas are in suspension only waiting for some precipitant to be applied. That latter stage of the job is the politician's, but the earlier stage is the job of those outside politics.

It should be our pride that England has in the past been a leader in promoting new political ideas and working out

their practical application. Her own Empire, a congeries of independent States, is itself a forecast of what the relationship of all European States might be. If five nations have surrendered, as they have surrendered, the use of force the one as against the other, and are able to adjust their relationship without resort to physical combat, why should not fifty nations of the same character of civilization do as much?

The extension of the dominating principle of the British Empire to European society as a whole is the solution of the international problem which this book urges. That extension cannot be made by military means. The English conquest of great military nations is a physical impossibility, and it would involve the collapse of the principle upon which the Empire is based if it were. The day for progress by force has passed; it will be progress by ideas or not at all.

And because these principles of free human coöperation between communities are, in a special sense, an English development, it is upon England that falls the responsibility of giving a lead. If it does not come from her, who has developed these principles as between those communities which have sprung from her loins, can we ask to have it given elsewhere? If England has not faith in her own principles, to whom shall we look?

English thought gave us the science of political economy; English thought and practice must give us another science, that of International Policy—the science of the political relationship of human groups. We have the beginnings of it, but it sadly needs systemization—recognition by those intellectually equipped to develop and enlarge it.

The development of such a work would be in keeping with the contributions which the practical genius and the positive spirit of the English race have already made to human progress.

I believe that, if the matter were put efficiently before them with the force of that sane, practical, disinterested

labor and organization which have been so serviceable in the past in other forms of propaganda—one thinks of the work of just two or three English men in the anti-slavery movement—not only would they prove particularly responsive to the labor, but English tradition would once more be associated with the leadership in one of those great moral and intellectual movements which would be so fitting a sequel to her leadership in such things as human freedom and parliamentary government. Failing such effort and such response, what are we to look for? Are we, in blind obedience to primitive instinct and old prejudices, enslaved by the old catchwords and that curious indolence which makes the revision of old ideas unpleasant, to duplicate indefinitely on the political and economic side a condition from which we have liberated ourselves on the religious side? Are we to continue to struggle, as so many good men struggled in the first dozen centuries of Christendom—spilling oceans of blood, wasting mountains of treasure—to achieve what is at bottom a logical absurdity; to accomplish something which, when accomplished, can avail us nothing, and which, if it could avail us anything, would condemn the nations of the world to never-ending bloodshed and the constant defeat of all those aims which men, in their sober hours, know to be alone worthy of sustained endeavor? .

PART THREE

THE VERDICT OF THE EVENTS

THE VERDICT OF THE EVENTS

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ONE point—to which some readers may attach importance because of the frequency with which it is raised by a certain type of commentator—can be very briefly disposed of.

Shortly after the appearance of the early editions of this book there arose here and there in the press a legend, which was repeated and became widespread. This book was an attempt, according to this legend, to show that there could never be any more war; that war was impossible, or that a war could never be financed; or that bankers would stop it; or that it could only last a few weeks. The idea somehow, as a summary of the book's thesis, seemed to catch on with the picture paper type of public. And today, twenty-five years after the book's publication, hardly a week passes in which its author does not receive some newspaper cutting referring to "the man who wrote a book to prove there could be no more war."

Will the reader note:

I have never said or implied in any book, anywhere, at any time, that war had become impossible; or that it could not be financed, or that it could last only a few weeks. I have never thought it, and again and again have repudiated such an idea, and again and again stated, long before the war, that war was extremely likely, indeed inevitable so long as the political ideas which this book attacks were dominant in international affairs.

The book was, of course, the work of a man obsessed with the fear of catastrophe which, in the absence of change in

the current of thought, he felt to be coming. Had he really believed war to be impossible, why should he have disturbed himself—engaged in an ungrateful and thankless agitation to prevent something which he believed could never take place?

In the years before the war he was in the habit of writing contradiction like the following:¹

You are good enough to say that I am "one of the very few advocates of peace at any price who is not altogether an ass." And yet you also state that I have been on a mission "to persuade the German people that war in the twentieth century is impossible." If I had ever tried to teach anybody such sorry rubbish I should be altogether an unmitigated ass. I have never, of course, nor so far as I am aware, has any one ever said that war was impossible. Personally, not only do I regard war as possible, but extremely likely. What I have been preaching in Germany is that it is impossible for Germany to benefit by war, especially a war against us; and that, of course, is quite a different matter.

And articles with passages like the following²:—

... One learns, with some surprise, that the very simple facts to which I have now for some years been trying to draw the attention they deserve, teach that

1. War is now impossible.
2. War would ruin both the victor and the vanquished.
3. War would leave the victor worse off than the vanquished.

May I say with every possible emphasis that nothing I have ever written justifies any one of these conclusions.

I have always, on the contrary, urged that:—

- (1) War is, unhappily, quite possible, and, in the prevailing condition of ignorance concerning certain elementary politico-economic facts, even likely.
- (2) There is nothing to justify the conclusion that war would "ruin" both victor and vanquished. Indeed, I do not quite know what the "ruin" of a nation means.
- (3) While in the past the vanquished has often profited more by defeat than he could possibly have done by victory, it is no necessary result, and we are safest in assuming that the vanquished will suffer most.

But all to no purpose, or little purpose. The legend seems as lively as ever.

¹ To the *Saturday Review*, March 8, 1913.

² *Daily Mail*, September 15, 1911.

It may be said that there must be some cause for so persistent a misrepresentation. There is. Its cause is that obstinate and deep-seated fatalism which is so large a part of the prevailing attitude to war and against which the book under consideration was in part a protest. Take it as an axiom that war comes upon us as an outside force, like the rain or the earthquake, and not as something that we can influence, and a man who "does not believe in war" must be a person who believes that war is not coming; that men are naturally peaceable. To be a Pacifist because one believes that the danger of war is very great indeed, or because one believes men to be naturally extremely prone to war, is a position incomprehensible until we have rid our minds of the fatalism which regards war as an "inevitable" result of uncontrollable forces.

What is a writer to do, however, in the face of persistent misrepresentation such as this? If he were a manufacturer of soap and some one said his soap was underweight, or he were a grocer and some one said his sugar was half sand, he could of course obtain enormous damages. But a mere writer, having given some years of his life to the study of the most important problem of his time, is quite helpless when a tired headline writer, or a journalist indulging his resentment, or what he thinks is likely to be the resentment of his readers, describes a book as proclaiming one thing when as a matter of simple fact it proclaims the exact contrary.

For fear that the reader should think the above an interested verdict I quote two post-war criticisms, the one English, the other American. Professor Lindsay, of Oxford, writes:—

Mr. Angell never contended that war was impossible, though he did contend that it must always be futile. He insisted that the futility of war would not make war impossible or armament unnecessary until all nations recognised its futility. So long as men held that nations could advance their interests by war, so long war would last. His moral was that we should fight militarism, whether in Germany or in our own country, as one ought to fight an idea with better ideas. He further pointed out that though it is pleasanter to attack the wrong ideals held by foreigners, it is more effective to attack the wrong ideals held in our own country. ... The pacifist hope was that the outbreak of a European war,

which was recognised as quite possible, might be delayed until, with the progress of pacifist doctrine, war became impossible. That hope has been tragically frustrated, but if the doctrines of pacifism are convincing and irrefutable, it was not in itself a vain hope. Time was the only thing it asked of fortune, and time was denied it.

Professor Roland Hugins,¹ of Cornell University, writes:—

Mr. Angell has received too much solace from the unwisdom of his critics. Those who have denounced him most vehemently are those who patently have not read his books. For example, he cannot properly be classed, as frequently asserted in recent months, as one of those Utopian pacifists who went about proclaiming war impossible. A number of passages in *The Great Illusion* show him fully alive to the danger of the present collapse; indeed, from the narrower view of politics his book was one of the several fruitless attempts to check that growing estrangement between England and Germany whose sinister menace far-sighted men discerned. Even less justifiable are the flippant sneers which discard his argument as mercenary or sordid. Mr. Angell has never taken an "account book" or "breeches pocket" view of war. He inveighs against what he terms its political and moral futilities as earnestly as against its economic futility.

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It would be wearisome and superfluous to attempt to show in detail how far the events of the post-war period have verified the general proposition of the book in its largest aspect, that military victory cannot be turned to advantageous economic account, that the wealth of a defeated enemy cannot be taken by, nor his trade transferred to, the victor, and that the attempt can only end in the dislocation of the processes upon which both almost equally depend. *Circumspice!*

It is true that the last fifteen years have not been all depression. Many of the countries involved have had periods of prosperity, of boom, though, looking back, it now seems pretty clear that that activity was the fever which preceded the illness. But whether the victor—Britain, France, America—was momentarily on the top of some boom, or in the trough of a slump, it was equally impotent to use its military power either to make the prosperity permanent or to cure the de-

¹ *The Forum*, August, 1915.

pression: it could not indemnify itself with the wealth of the vanquished, nor "take" his trade in order to make up the loss of his own. We have managed to get from the defeated enemy in the way of indemnities rather less than what we lent him for the purpose of paying us. Indeed, if we take into account the purchases of German currency, subsequently to prove worthless, made by speculators in the Allied countries, it is fairly certain that Germany has had a great deal more of our—the Allies'—money than we have had of hers.

The literature of the subject is now mountainous.¹ A mere list of the books and documents published would run into dozens of pages of this book.

But all, of course, now in some measure belong to the past. The Lausanne agreement of 1932 is at long last official admission that in a modern war indemnities or reparations at all commensurate with its cost cannot be paid for just about the reasons very clumsily outlined, but nevertheless outlined, in the chapter entitled "The Indemnity Futility," which appeared in the 1910 edition of *The Great Illusion*.

But again, had the point made in that chapter been duly considered, it would not have had a mere negative result: it might well have led to our getting a great deal more in the way of Reparations than in fact we got. For the point of the chapter was that great international payments must ultimately be made in goods or services. Writing fifteen years after the peace, Sir Arthur Salter points out that if the Allies had concentrated on making Germany repair the material damage done, most of the subsequent trouble would not have arisen. He says:

Reparation of this kind Germany could have given at once; men, materials and management she had in plenty. This would have involved no strain on the exchange value of her currency; for she would have paid in marks. It would have been cheap because the German building trade was clamouring for work, whereas

¹ A fairly complete bibliography, up to 1930, is given in *Information on the Reparation Settlement* by J. Wheeler Bennett and Hugh Latimer (Allen and Unwin). The books by Mr. J. M. Keynes on the Treaty and its consequences deal authoritatively with the facts of the case. The books by Mr. H. G. Moulton of the University of Chicago are also particularly to be recommended.

construction by French contractors involved inflated prices in a closed market already crowded with other orders. It would have meant no dislocation or disturbance of vested rights; for no business can be regarded as having a vested interest in the prospect of rebuilding houses destroyed in war. There would have been a similar advantage in the construction of such public works (electric installations, tramway systems, etc.) as countries entitled to reparation would have found useful, but, apart from reparation, could not have afforded. Work of this latter kind was indeed arranged—but as an addition to, and not in place of, cash demands already excessive.

Had reparation been so arranged, it could have been settled and finished in three years or so. The countries with war devastation would have received more real value than a decade of efforts were in fact to give them. The political, economic and financial recovery of Europe would have been relieved of its most formidable obstacle. The German currency need never have gone to pieces. The financial restoration of other countries would have been advanced by several years. There would have been no occupation of the Ruhr. Within less than a decade prosperity might have been securely restored; peace firmly established.¹

The notion of "rivalry" dominated our first peace arrangements. We really did believe that we had an interest in "destroying Germany's competition" and having (under the illusion here attacked) taken elaborate steps, alike in the blockade (maintained for no imaginable military purposes long after the war), and in the Treaty, to destroy as much of the enemy's trade as possible, we found that our own trade was injured about correspondingly in the process, and thereupon proceeded, through the City of London, to lend the defeated enemy large sums for the purpose of enabling him to reestablish the industry and trade which our navy and treaty-makers had been at such great—and expensive—pains to wipe out. The money so lent by the victor to the vanquished assumed finally such proportions that the victor and creditor himself became bankrupt, in the sense of having to pay his own creditors fifteen shillings in the pound, being obliged, that is, to abandon the gold standard and to pay in depreciated currency—the victim of a monetary crisis precipitated by the failure of a Bank situated in the enemy territory coupled with a lack of confidence in Britain's ability to meet her obligations owing to the

¹ *Recovery*, G. Bell & Sons, Ltd., pp. 129-130.

extent of the loans which she, the victor, had made to the vanquished.¹

It reads like a chapter of Alice-in-Wonderland. But it is a bald statement of historical occurrence: and constitutes complete vindication of the main thesis of *The Great Illusion*.

Our generation has produced mountains of economic literature, describing and detailing our present plight, which are, in fact, an enlargement of that vindication.

And will the reader please note that that verification remains even though he take the view that the chaos, bankruptcy, ruin, which has fallen upon the post-war world, is not to be explained by the war; that it is inherent in the system and would have come, war or no war. For, in that case it is evident that military power, victory, cannot be used to remedy conditions produced by inherent defects of the existing system; that it is impotent to correct those conditions or the defects which produce them.

That thesis of the book is the economic futility of a nation's individual military power, a futility or impotence explained largely by the fact of the essential interdependence of the modern world; the dangers of dislocation and chaos, as the result of ignoring that interdependence, and of attempting the exercise of military power. The impotence, the interdependence, dislocation of the machine as the result of power competition, are all abundantly illustrated, whatever part purely non-political causes may play in the production of the present collapse. France's inability to make Germany pay by coercion in the Ruhr is a fact, whether or not the financial disorder would have come in any case. The utter failure to "take German trade" by virtue of our victory is a fact, whatever proportion of our unemployment may be due to technological causes. The childish absurdity of the notion that the navy can "protect our gold reserves" if they are raided by foreign

¹ The reader may be reminded that it was the failure of the *Credit Anstalt* of Vienna which, involving Berlin creditors, created the fear that London's long term loans to Berlin might be jeopardized; this started a "run" on London, by those holding short term or on demand claims, which resulted in pushing London off the gold standard; and produced later, a situation in which Britain was unable to meet her own obligations to the American government.

creditors is demonstrated, whether the gold standard is a bad one or not; the utter inability of America to use her now preponderant naval power to collect the debts owing her, whether by Europe or South America, or protect her main investments therein, is revealed, whether the original investments were wise or not. While as to the interdependence which *The Great Illusion* is supposed to have so greatly exaggerated, it is now the commonly accepted premise of the discussion even among the most conservatively minded, however little the relation of that truth to the policies which should be applied is understood and acted upon. It is, indeed, self-evident that our ability to pay America is dependent upon the ability of our creditors to pay us; that that ability depends upon payment of debts to them, and the extent of their foreign trade; that international trade itself is suffocated by economic nationalism and devastated by a falling price level, which is itself due largely to a financial nationalism, a maldistribution of monetary gold; the defects of a financial and monetary system which can only be corrected by international machinery;¹ that that machinery cannot, in fact, be created and work with any smoothness without a degree of confidence that is quite impossible so long as the possibility of *another* war, with *more* unpayable debts, *more* defaults, *more* bankruptcy hovers in the air as the result of failure to agree about armament, failure, that is, to bring the power competition to an end. All this, revealing not merely the interdependence of nations, but the dependence of the solution of most of our economic problems upon this one problem of military competition, is the commonplace today of every informed student.

The indictment which *The Great Illusion* embodied does not lose in force or importance if we take the view that the present collapse is due to defects in the existing economic system, now due for radical treatment or a surgical operation.

¹ "A concerted world monetary policy, with an International Bank as an instrument to help in applying it, would be of inestimable value to world trade. But it will be both impracticable and useless unless other policy, in particular commercial policy, is directed to the same end. An international money system or Bank can never function in a nationalistic world." (Sir Arthur Salter, in *Recovery*. Messrs. G. Bell & Sons, Ltd., p. 292.)

In one respect the argument of this book gains in importance if that be our view.

That book was not, of course, a defense of the present economic system; very far from it. The author happens to be a severe critic of what he deems the essential economic anarchy of *laissez-faire*. He lays emphasis on the fact that grave problems of adjustment and control confront us, and suggests, as relevant to that fact, that the struggle for individual military power by the nations must be fatal to securing the necessary control, can only render the fundamental dislocations worse, the more unmanageable; and most particularly that it deflects energy and attention from the real problems. How can international control and order be established so long as seething animosities are fed by nationalist militarism?

One thinks of the Niagaras of energy, emotion, passion, sacrifice, genius, wealth, youth, life, which have been poured into conflicts irrelevant to the correction of the causes which are now destroying us if we take the view that our present breakdown is due to inherent defects in the economic system itself. To correct these defects two things were, and are, needed. First, that our attention and energy shall not be deflected towards utterly irrelevant purposes; and secondly, that confusion and unmanageability shall not be made worse than they need be by deep seated dislocations and maladjustments, just when vital corrective alterations have to be made. If our patient, the body politic, needs a surgical operation, say a major abdominal one—which he may—it is not a good plan for him, on the eve of the operation, to get into a drunken brawl in which he breaks a leg, fractures his skull, and contracts a serious infectious disease. If the time had come for that operation, it was important first to see that the time had come. But the nations were moved and excited about entirely different things, and for that reason those who saw the need could not make others see the need; the less that irrelevant complications entered, the greater would be the chance alike of getting the operation decided upon and of its success when entered upon. Could we have avoided the dislocations and complications produced by the war, and directed to the real cure of our social diseases a tiny fraction even of those energies

which have gone into making the disease worse, we should plainly have gone immense distances towards making our civilization something more worthy of our efforts.¹

How great are the dislocations produced by the war, which means broadly additions to the difficulties added to the restoration of prosperity or establishment of control, may be gathered by glancing for a moment at the testimony of one among many witnesses.

I quote at length from Professor Henry Clay, because he has no remotest personal concern in this particular verification, and happens not to share some of the author's views.

In his Halley Stewart Lecture for 1931 Professor Clay said:

The point I wish to insist on is that a general price-fall may itself be caused by a misdirection of industry. I insist on it, because the period of the war and the following decade appear to me to be a period in which the misdirection of industry has been the most important influence on industrial activity, and an important, if not the only, influence producing the general fall in prices....

Before the war the world's industry was in a state of balance. The different industrial groups in the world were so proportioned to one another that exchange went along smoothly. The war destroyed this balance and the world's industries have never found a new equilibrium. In retrospect, it is obvious enough that war must have this result; but we are so accustomed to rely on the recuperative power of the industrial organisation that we find it hard to conceive of a shock from which it might not recover.²

That balance was destroyed by the war.

The war involved the diversion of resources in men and equipment to war service and munitions production. In the latter part of the war not less than half of the country's economic resources must have been absorbed in meeting war needs. After the war it was necessary to divert them back into channels in which they could meet the normal demands of peace. The task of redirection

¹ "Human history thus far has been a succession of brief achievements of high civilisation destroyed each in its turn by destructive wars with their attendant train of impoverishment and anarchy." (Sir Arthur Salter, in *Recovery*, Messrs. G. Bell & Sons, Ltd., p. 298.)

² *The World's Economic Crisis and the Way of Escape*. Halley Stewart Lectures 1931. George Allen & Unwin, Ltd. Pp. 127 and 129.

was greater than that of organizing them for war, not only because there was no dominating object by reference to which the movement could be controlled, but because the other channels from which they had been drawn were many of them closed by the war...¹

The splitting of the world into two hostile camps involved an immense diversion of international trade. The blockade and restrictions on shipping involved an almost equally important diversion. The United States expanded its wheat acreage to fill the place left vacant by the loss of Russia's exports; the mills of Japan and India were expanded to supply the markets that Lancashire could not supply. But this diversion of trade involved a duplication of capacity; for the war did not permanently contract Russia's capacity to supply the world with wheat, or Lancashire's capacity to supply it with cotton manufactures. The simultaneous expansion of the munitions industries throughout the world created a vast problem of excess capacity for these industries, once the demand for munitions came to an end; the duplication of supplies of many of the most important agricultural staples and commoner manufactures created a similar problem of excess capacity for their producers, once the obstructions to trade that the war created were removed.²

The nationalist economic policies of post-war Governments after the war continued the good work of the war.

Australia decided to build up her own woollen industry by putting a prohibitive duty on imported manufactures, and just as the depressed Yorkshire industry was recovering, her next best market, Canada, decided to do the same. Now England follows suit, and French spinners are looking for mills in England in which to duplicate the already excessive capacity for woollen spinning and weaving from which the industry in every country is suffering. The story of cotton is the same. In every country the industry has been depressed, even when other industries were active, because in the world as a whole there is more machinery than the total demand will employ. The coal industry's troubles are rooted in the same policy. When the Silesian boundary was under discussion the delegates of Poland and Germany both insisted that the coal field was essential to their national life; a few years later negotiations over a commercial treaty between the two countries were held up, not for months but for years, because the Germans refused to admit any Polish coal, and the Poles insisted that they must be allowed to export to Germany this essential of their own national life.³

¹ *Ibid.*, p. 130.

² *Ibid.*, p. 131.

³ *Ibid.*, p. 131.

The financial strain of the war left a long train of industrial and commercial dislocation, which still hampers trade recovery.

In every country to a greater or less extent the expense of the war was met by inflation, which forced up the price level. As we have seen, any change in the price level brings about a redistribution of the national income and calls for some redirection of the country's industry. Both in countries in which the rise continued until the currency collapsed and in those in which it was checked and followed by a fall, an abnormal strain was put upon the price structure. The price structure expresses the relations of the different groups of producers in the community and any disturbance of it disturbs the regular process of exchange between them.¹

Two elements of dislocation date from the war which are of exceptional influence in explaining the world depression of the last two years—the uneconomical movement of exported capital, and the destruction of the balance in the world between agriculture and industry. For a dozen years the world has been in a condition of unstable equilibrium, but these two factors can be distinguished as contributing most clearly to the recent world-wide collapse.

Before the war one could, he thinks, say of the export of capital that it was twice blessed. It was an export of capital that was surplus to the needs of the country making it, to countries which had resources to be developed and which could, out of the development of those resources, well afford to meet the service of their loans and ultimately to repay them. Since the war the export of capital has been, on the contrary, twice cursed. In one important case, in the case of reparations payments by Germany, capital has been taken out of a country in which it was urgently needed for local purposes, for the ultimate benefit of France and America, which had a superfluity of capital. On the other hand the voluntary export of capital, particularly from America, in recent years has very largely gone to countries which had, it is true, an immediate need for capital, but were not countries in the condition of Australia or the Argentine, or of the United States in the nineteenth century, where large natural resources were awaiting development if only capital could be obtained. It follows that a large part of the capital loaned, particularly to the countries in Central Europe, and to some extent also the countries of South America and elsewhere since the war, has been lost. It was used for current purposes which did not result in any great increase in the productive

¹ *Ibid.*, p. 133.

capacity of the countries receiving it; yet the recipients are under an obligation to pay interest on it, and ultimately to repay the principal. This they cannot do; there is the same difference between pre-war and post-war export of capital that there is between forcing water uphill and letting it flow naturally downhill.¹

The other factor is the loss of the balance between agriculture and industry. This can be traced, Professor Clay points out, in the movement of agricultural and industrial prices. Ever since the war, although both until last year have been above the pre-war level, agricultural prices have always by that standard been lower than industrial prices. There has been, ever since 1920, a tendency to over-production of the chief agricultural staples. America, we have seen, expanded her wheat production during the war to take the place of Russia. After the war Russia came back, but America was still there. "In commodity after commodity we find excessive capacity, over-production and agricultural losses."

If, says Professor Clay, you draw up a list, as was done at the International Economic Conference at Geneva in 1927, of countries in the order of the degree in which they have raised their tariffs since before the war, you will find that nearly all those at the top of the list are countries like the Argentine and Australia, which depend mainly on the export of agricultural produce, and the export of agricultural produce to European industrialized nations. By excluding imports from those industrialized nations, they caused unemployment in those industrialized countries. They still have to send their agricultural exports to these countries, and they have to take what these countries can pay. Prices are low because they have forced down prices. They put European industrial workers out of work and on to the dole, and they have to accept for their agricultural exports the price which a man on the dole can afford to pay.

I think nothing illustrates better the failure of Governments all over the world to see the truth of the economic situation than the attempts that they have made since the war, by protection and subsidies and cheap credit and price maintenance schemes and

¹ *Ibid.*, p. 134.

assisted emigration, to put men on the land, when the great need of agriculture was to get men off the land.¹

All the time there is bound to be some shift of industry as old industries decline and new ones grow up. Perhaps the shift might involve a change amounting to 5 per cent. of the occupied population in the year. To such a change industry can adjust itself quite easily; but if, owing to war and the inflation that attends a war and that attended the post-war boom, there is for eight or ten years a check to this normal small adjustment year by year to changing conditions, then your annual 5 per cent. adjustment accumulates to a revolutionary change. To some such shift certain industries were peculiarly exposed. All the years from 1914 onwards, the coal industry was having its position in world markets undermined, not only by the opening of new coal fields, but by the development of fuel-economizing devices, such as the greater use of electricity, and by an alternative source of power in oil. Yet the industry in the world as a whole enjoyed prosperity until 1924. Then, after the French evacuation of the Ruhr, the German coal industry came into production in full blast and the unfortunate industry had to face ten years' accumulation of little changes, which it might have met with ease from year to year, had adjustments been made when the changes happened, but which had a devastating effect when the accumulated changes of ten years had to be met all at once.²

¹ *Ibid.*, p. 136.

² *Ibid.*, p. 137.

CONQUEST AND THE POPULATION PROBLEM: THE JAPANESE CASE

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STUDIES of the population question, which have appeared since *The Great Illusion* was first published, confirm strikingly the general conclusions of that book as to the relation of over-population to conquest, colonies and emigration. Thus Mr. Carr Saunders, dealing with the specific case of Germany, writes:

There is no reason, for instance, to imagine that Germany was becoming overpopulated before the war. The rapid industrialization of that country apparently offered opportunities for the employment of more than the swiftly growing numbers of Germans, since Germany was finding work every year up to 1914 for some hundreds of thousands of immigrants. So, too, a policy of industrialization might well enable Russia to equal the rest of Europe in numbers without being overpeopled. Changes of this kind are inevitable. By some turn of the wheel a country may find itself in possession of unsuspected resources which a new invention has for the first time rendered of value. A high birth rate and a large increase of population are justified under these circumstances. But neighbors are alarmed and the country with an increasing population imagines quite erroneously that it is vigorous beyond its neighbors and entitled to territorial expansion. Such was the mind of Germany before the war. Hence come restlessness, bumptiousness, fear and friction, which nothing can assuage except a deepening understanding of these fundamental aspects of population. Territorial changes may indeed be proposed to satisfy claims for expansion, but this is a political cure for a political claim, and not an economic remedy for an economic evil.¹

¹ "Fallacies about Overpopulation," by A. M. Carr Saunders. *Foreign Affairs: An American Quarterly Review*, July, 1931. Vol. 9, No. 4 (p. 648).

It seems, at first glance, almost to violate common sense to say that emigration is no real solution of the population question. Yet practically every serious student of the subject is agreed on this. Mr. Carr Saunders writes:

The fact is that the relief which emigration can afford to overcrowded countries is hugely exaggerated in popular estimation. Ireland is the exception which proves the rule. In that case a very small country found relief because there existed overseas a new country of vast dimensions in the early stages of development. There is no parallel between Ireland and the cases we are considering.

Japan and Java have had annual surpluses of about a million each. East Africa has been suggested as a home for the overcrowded natives of India. But to move annually more than a few tens of thousands of Indians is quite beyond the range of what is physically possible, to say nothing of the difficulty of settling the Indians when they arrive. The very little that the capable and energetic Dutch Government has been able to do in the direction of moving Javanese to Sumatra is a good example of the difficulties. Nothing is more certain than that, with the best will and the utmost energy, only a small fraction of the annual surplus of these countries could go overseas.¹

Mr. W. R. Crocker applies the general principle to the special case of Japan:

It has been reported that the *Population and Food Supply Commission* has decided that Emigration (apart altogether from the practicability or impracticability of finding a place to send the emigrants to) offers no solution to Japan's problem. The decision is closely in keeping with many previous statements made by Japanese officials. Nor are the officials alone in professing the belief: Japanese students have published similar opinions.

There is of course nothing revolutionary in such a point of view. Among many, perhaps among most, students of the subject it is agreed that emigration is futile as a means of solving overpopulation.²

This general view is confirmed by Mr. Warren Thompson who gives the *rationale* of the case:

It must be recognized that colonial expansion is no solution of the problem of population pressure in Japan or any other country if it is not accompanied by the practice of birth control....

¹ *Ibid.*, pp. 655-6.

² *The Japanese Population Problem*, by W. R. Crocker (Allen and Unwin, 1931), p. 188.

It should also be recognized in connection with emigration as a solution of problems of population pressure that almost never does emigration actually reduce the numbers of the homeland. Ireland is the only example of a European country in which the population has decreased since emigration set in on a large scale. Famine, emigration, and, more recently, the practice of birth control have reduced Ireland's population till it is now but little more than half of what it was in 1840. Everywhere else in Europe emigration has been accompanied by a growth in population at home. Thus Sweden has grown from 4,566,000 in 1880 to 5,988,000 in 1922, or 31.1 per cent in forty-two years; and during that time has sent out a net total of about 720,000 emigrants.

Emigration can, therefore, only be regarded as a temporary expedient for any people. It will keep the pressure on certain areas from growing much greater as long as there is abundance of new land, but it will not actually reduce the pressure to any great extent, especially among such large and dense populations as we find in the western Pacific. The Japanese must, therefore, make up their minds that their welfare demands a lower rate of increase as well as new lands and resources. But even such large expansion as proposed here will be of little benefit to the Japanese if they do not use the breathing-space thus given them to learn to control births so that the need for expansion will cease by the time the lands open for settlement in this area is exhausted. This may appear a truism, but statesmen apparently often forget it.¹

But proof of how little bearing the question of conquest has upon provision for population is given by Mr. Carr Saunders when he calls attention to the cases where the new, or less densely populated, land is already conquered, is, that is to say, already under the control of the State possessing the surplus population, and shows that, although the land is available, the problem remains:

Japan and Java have had annual surpluses of about a million each. East Africa has been suggested as a home for the overcrowded natives of India. But to move annually more than a few tens of thousands of Indians is quite beyond the range of what is physically possible, to say nothing of the difficulty of settling the Indians when they arrive. The very little that the capable and energetic Dutch Government has been able to do in the direction of moving Javanese to Sumatra is a good example of the difficulties. Nothing is more certain than that, with the best will and the utmost energy,

¹ *Danger Spots in World Population*, by Warren S. Thompson (Knopf, 1929), pp. 132-133.

only a small fraction of the annual surplus of these countries could go overseas....

It is also relevant to ask whether, if the surplus was removed in whole or in large part, there would be any likelihood than at present of a check being placed upon reproduction. If not, then the whole movement would be rendered futile. From what we know as to the way in which these matters work out, it is unlikely that the advent of a check would be hastened. Does any one suppose that migration of millions of Chinese to Manchuria has encouraged restriction of families in China? Most probably the situation has only been relieved momentarily. Therefore the problem for statesmanship is to balance the faint help that could be given by migration against the danger of creating a situation which may lead to a legacy of future trouble. This danger is not so great in some regions as in others—not so great in the East Indies, for example, as in East Africa. But it remains true that such movements are never without risk.¹

Mr. Warren Thompson confirms the general soundness of this argument, as he also supports the argument made in *The Great Illusion* that war is not the "struggle for bread," a "biological contest," since after conquest the pressure of mouths upon sustenance is not lessened, but usually made more severe.

It may be profitable both individually and nationally for a time to have colonies which can thus be exploited but as an outlet for the relief of population pressure these lands can be of little value. They are not suitable for actual settlement from the mother country because of differences in standards of living, already referred to. Of course it is quite possible, for a time, to get a considerable quantity of foodstuffs and raw materials from exploited colonies in the tropics, but the experience of the Dutch in Java would seem to indicate that exploited colonies cannot be counted on for any great amount of exports of food over long periods of time. In Java the increase of population following on the establishment of peace between the tribes and the better economic organization of the country has been exceedingly rapid. Java is today one of the most densely populated countries in the world, with more than seven hundred persons per square mile (1925). A careful study of the food values of exports and imports (see chapter v) shows that there is very little excess of exports from a population of over thirty-six million. Only a little over a century

¹ "Fallacies about Overpopulation," by A. M. Carr Saunders, *Foreign Affairs: An American Quarterly Review*, July, 1931. Vol. 9, No. 4 (pp. 655-6).

ago Java's population was about the same as that of Formosa today, or only about one-tenth of its present size.

The effects of the maintenance of peace and better sanitation on population growth in Formosa, as in Korea, are clearly evident today in the rates of natural increase. The birth-rate in Formosa today averages about forty-one or forty-two and the death-rate twenty-three or twenty-four, thus leaving a high rate of increase, as has already been mentioned.

It is obvious that natives in tropical countries with very low standards of living and very low productive capacity cannot be large purchasers of manufactured goods from northern countries. This being so, but very little trade can be expected between these regions. The common expectation that the northern lands can get great quantities of food from the tropics in exchange for manufactured goods is not likely to be fulfilled. The very conditions necessary to increase considerably the productive capacity of natives in the tropics also make inevitable a rapid increase in their numbers. These grow very rapidly until they are again up to the limits of the means of subsistence, and the surplus available for the exploiters is but little. At least, the surplus they can export is not large. If the number of exploiters is not too large, as for example, with the Dutch in Java and the British in India, these exploiters may make a very good living, but they cannot send out food and other things that are needed to maintain the native population.¹

In view of the recurrent argument of *The Great Illusion* that "colonies" in the modern world simply could not be "owned" because of their power to become practically independent states, the following from Mr. Warren Thompson, written a quarter of a century later and with special reference to the case of Japan, is extremely significant. Mr. Thompson says:

It is also often supposed that if Japan were to have colonies these colonies would become integral parts of the Empire and could be fully relied upon to back up any policies that might be promulgated at Tokio. It is, of course, impossible to speak with assurance on such a matter. It is pertinent, however, to call attention to the experience of Great Britain in this respect. The people in the Thirteen Colonies soon found that they had interests quite opposed to those of Englishmen and would not brook interference in their affairs. Thus Great Britain lost the richest area in the world. Today Canada, Australia, and South Africa are, for all

¹ *Danger Spots in World Population*, by Warren S. Thompson (Knopf, 1929), pp. 39-40.

practical purposes, separate nations. One hears the frequent complaint from Englishmen that they are ungrateful children, particularly when the economic and immigration policies of these countries are under discussion. Is there any reason to suppose that after several generations the Japanese immigrants to New Guinea or Borneo will be more disposed to follow blindly the statesmen in Tokio than the Canadians or Australians are to follow the statesmen in London? When British and Australian interests coincide, they work in full harmony; when they are divergent, Australia goes its own way—witness the present tariff and immigration policies in Australia. Colonies that have gained strength and wealth have always been ungrateful upstarts in the eyes of parent countries, and Japanese colonies would probably be no exception.

In the very nature of the case, colonies develop differently from the parent country, and the inhabitants of the colonies come to feel that they belong in a different world with different interests and different aims in life. Often a visit to the mother country is the most disappointing event in the life of a colonist and he returns from it a far more staunch nationalist than when he set out. This is particularly true of the second generation and later. They are unable, generally, to understand the life of the mother country and they feel fully as much strangers there as in any foreign land. The ties to the homeland become very tenuous, and the empire that was becomes a "commonwealth of nations," each pursuing its own course except on occasions when temporarily its course seems to be that of the mother country because they happen to coincide.

There is no reason to suppose that Japanese colonies would be different from others in the closeness of the ties to the mother country. Japanese colonists, like most colonists, would be economically better off than their relatives at home and would come to feel the same estrangement from the homeland as others. They would soon become unwilling to be used for imperial purposes, just as the Australians and Canadians are today. The establishment of Japanese colonies does not mean, therefore, a proportionate increase in the power of the Japanese Empire. Indeed, it may very well be that in a short time, as the life of nations is counted, these very colonies the Japanese are so eager to establish now would be the chief agents in thwarting imperial designs. There can be little doubt that Japanese colonists will as much dislike the idea of being exploited in the interests of the ruling class at home as other colonists and will stand out against it as vigorously.

To refuse to recognize the rights and the needs of the Japanese today for fear that they will grow into a strong empire at some future time seems, then, a very short-sighted policy in view of the experience of other countries with their colonists. It should also be noted that if the Japanese can secure the necessary resources, they are going to industrialize their country even more rapidly

than in the past. This should materially assist in caring for the surplus population for some time, perhaps for a decade or two. There are limitations to such development, however, as we have already pointed out, even when it is not a question of available resources. Great Britain is finding this out to her great cost. But from the standpoint of population growth, industrial growth and its accompanying urbanization of population lead to the checking of rates of increase. Hence, if Japan had access to new lands for settlement and to reasonably abundant material resources, there is every reason to suppose that, after two or three decades, its rate of growth would slacken and in another decade or two the Japanese, too, would cease to be a "swarming" people.¹

Mr. Thompson's conclusion on this aspect of the problem is suggestively put as follows:

Even preferential tariffs prove a mockery when they are sufficiently high to permit of the development of home industry. The day of the profitable exploitation of colonies and other dependencies is rapidly passing. Another fifty years may see its end. Japan should realize this and govern its conduct accordingly.²

And, finally, as to the direction in which solution lies, and the relation of the whole difficulty to the international problem, note what two of the greatest authorities on the population problem and its solution have to say. First Mr. Carr Saunders:

Much of the discussions of population pressure are based upon an erroneous diagnosis. Territorial ambitions and jealousies abound, but they can seldom be traced to population pressure. To remedy the situation it may be expedient to adjust frontiers and areas of control. But that is a political remedy for a political disease. The economic disease of overpopulation can seldom be so dealt with. Nor do overpopulated areas as a rule demand this remedy. There are only too many real causes of international friction and we need not plague ourselves by imagining others which do not exist. What we have called the population situation is a cause of difficulty and will remain so until political education reaches a higher level and nations attain to better manners. The existence of underdeveloped countries is another source of difficulty. Overpopulation, though it exists on a large scale and is a terrible

¹ *Danger Spots in World Population*, by Warren S. Thompson (Knopf, 1929), pp. 130-1-2.

² *Ibid.*, p. 143.

scourge to nations subject to it, hardly enters directly into the problems with which international statesmanship has to deal.¹

Still more significant, in view of the general theme of *The Great Illusion*, is the following from Mr. W. R. Crocker:

In reflecting over the international implication of Japan's population problem, as in reflecting over any other great international issue today, we are brought to realize once more the paramount need of putting an end to the state of nature that still characterizes so wide a domain of foreign relationships, and of erecting peace-providing machinery that can determine—and enforce—a settlement of the disputes that arise and always will arise so long as human beings or their Governments have dealings one with the other. As things are at the present it is not foolish to speculate on a world two or three decades hence perplexed and menaced by an alliance between Japan and Italy and Germany and the enemy group. Italian foreign policy in Central and Eastern Europe in recent years is of high significance. The Nationalist parties in Germany as we know from the German Press, would welcome a *rapprochement* with Italy. What is to prevent an extension to Japan? Japan, Italy, Germany, all have claims on International Society. In the future their claims will become more pressing. If there be no legal means in existence for satisfying the claims, necessity may force these Powers to attempt illegal means. It is a prospect to avoid which will be worth every effort; utility rather than justice demands it.²

And most significant of all, perhaps, is this passage from Mr. Crocker: The significance of this final passage will be particularly apparent when we come to relate the general principles outlined above to the special case of Japan in Manchuria.

Rather more so in the Pacific Region than elsewhere is there no adequate peace providing machinery today. The maintenance of peace should be an obligation of international society as a whole; but so long as international society remains but partially organized and without coercive police weapons at its command there is no other arbiter over national claims and counterclaims than brute

¹ "Fallacies about Overpopulation," by A. M. Carr Saunders. *Foreign Affairs: An American Quarterly Review*, July, 1931. Vol. 9, No. 4.

² *The Japanese Population Problem*, by W. R. Crocker (Allen and Unwin, 1931), p. 146.

force. In consequence, if Japanese public opinion demands a certain course of action in foreign policy and another Power regards that action as an invasion of its own rights, there can be no other arbitrament between their claims than that of war.¹

¹ *Ibid.*, p. 216.

THE MANCHURIAN ISSUE

*

ALTHOUGH Japan's action in Manchuria has been so very generally accepted as proof that a power may gain by conquest, may be pushed to it by the needs of an expanding population, as disproof generally, that is, of one of the main theses of *The Great Illusion*, an analysis of the real facts show that they support that theme, and confirm surprisingly the general conclusions drawn at the end of the chapter.

The question for Japan, when she entered Manchuria, was whether she would more effectively ease her economic problem by the international method, by coöperation with the League of Nations, or by national military action which her militarists favored. It is known that much commercial and financial opinion in Japan was strongly opposed to the Manchurian adventure as economically most dangerous from a purely economic point of view, and the militarists overcame that opposition in the early days of the Crisis by Fascist methods, which, it may be recalled, included a series of political murders. The militarists carried their point, as nearly twenty years previously the German militarists had carried theirs. This does not prove that the Japanese militarists are right or have followed the policy most likely to promote the best interests of their country, any more than the policy pursued by the German militarists made for the ultimate welfare of their country.

Let us examine first the fundamental data.

The population of Japan is at present about 60,000,000 and is increasing at the rate of rather more than 1,000,000 per annum. Supposing, as there is good grounds for doing, that she is already over-populated—that is to say, that she cannot

indefinitely maintain her present standard of living with her existing resources—over a million people will have to emigrate each year if the pressure is to be relieved. Migration on this scale from any one country has never been approached even in the most favorable circumstances (e.g., the opening-up of America during the nineteenth century), and there is no evidence that the Japanese would contemplate it.

Japan has two colonies, Korea and Formosa, with comparatively low populations for their area. In 1925, she had owned Formosa for thirty years and there were only 183,317 Japanese resident in the island, which has a tropical climate suited to them. Korea had belonged to Japan for nineteen years in 1925 and only contained 411,595 Japanese, or less than half one year's increase in the population of the mother country. In both these countries, the great bulk of the immigrants were traders and officials, the native population retaining agriculture in their own hands.

In Manchuria itself, to which Japan has had free access for many years past, there are only 184,628 Japanese, over half of whom are in the city ports, among a population of nearly thirty million Chinese.

Mr. Crocker, already quoted, notes:

Manchuria and East Inner Mongolia offer no field for mass migration because of the growing numbers of Chinese there; the Japanese peasant or laborer can no more compete with the Chinese than can any European peasant or laborer. But the professional classes (which at the moment are suffering from unemployment as much as any class) might find one outlet there somewhat as the overcrowded professional classes of Canada are finding an outlet in the United States. Siberia is in a different category. If the Japanese continue to develop their tendency to use wheat as a cereal, Siberia may come to occupy a very close relationship with Japan, providing much of her food and in addition absorbing Japanese peasants somewhat as the Middle West of America absorbed German peasants in the latter nineteenth century.¹

This is entirely confirmed by Mr. Warren Thompson:

As places for colonial settlement neither Korea nor Formosa has as yet proved attractive to the Japanese. The total number

¹ *The Japanese Population Problem*, by W. R. Crocker (Allen and Unwin, 1931), p. 192.

of Japanese in Korea in 1924, nineteen years after the Russo-Japanese War, was 411,595, and of these 188,421, or 45.8 per cent, are found in the largest cities. Clearly the Japanese are making almost no headway as colonizers in Korea. Just how significant Japanese migration to Korea really is may be made clear by stating that the total number now in Korea is less than fifty per cent of the increase in Japan in the single year 1925. No doubt Japan can supply Korea with most of its manufactured goods and get in return a certain amount of food, but a people increasing as the Koreans are—they will double their 1925 population by 1952 if the present rate is maintained—will not long have a surplus to export. The maintenance of peace, the improvement in sanitation which Japan has effected in Korea are now having the effects on population growth they always have among a people with available land, a relatively stationary standard of living and not practicing birth control—namely, they are causing, or assisting to bring about, a very rapid increase, which will soon make the export of foodstuffs and raw materials practically negligible.

It may be wondered why, if the Koreans have the means to support such a rapid increase, the Japanese do not migrate thither and relieve the situation in Japan. The answer is not far to seek. The Koreans have a lower standard of living than the Japanese, and with free competition between them the Japanese will succumb while the Koreans thrive. In this connection it is interesting and important to know that the very poorest parts of Osaka, Kobe, and other large industrial cities contain a number of colonies of Koreans who have been brought in by the industrialists for "cheap" labor, to break strikes, etc. It is but natural that there should be bad blood manifested between the Japanese and the Koreans under these conditions. The latter undercut wages, work longer hours, and do various other things which the Japanese consider unfair competitive practices. One is reminded of the situation in this country, where the Polish, the Italian, and various other immigrant groups are blamed for exactly the same practices.¹

It is noteworthy that the Japanese do not even "colonize" Japan properly.

So far the Japanese have made little headway in colonizing even their own northern territory—Hokkaido. This island had a density per square mile of only 73 in 1925 as compared with about 505 in the rest of Japan proper. Hokkaido is generally described by the Japanese as a cold inhospitable land of little value. The Japanese do not like it and do not seem to thrive there, even though

¹ *Danger Spots in World Population*, by W. S. Thompson (Knopf, 1929), pp. 37-38.

it seems to us to offer better economic opportunities than most other parts of Japan. Northern Korea and Manchuria are also described as cold and inhospitable lands. They are at about the same latitude as the Great Lakes region of the United States and Canada. The dislike of the Japanese for a freezing winter of considerable duration is probably one of the chief reasons for their evacuation of eastern Siberia.

This will also explain in part why the Japanese have not made any appreciable headway in the colonization of Manchuria. . . .

It must not be inferred, however, that climate is the only reason why the Japanese have not settled in Korea and Manchuria. They cannot compete with the Koreans and Chinese in an open field, and this alone would render their colonization in these areas impossible; but when it is coupled with a climate to which they are not well adapted, the combination constitutes an insuperable obstacle. . . .

There is, then, very good reason to believe that the Japanese are quite capable of colonizing tropical areas where they would not have to meet the competition of the Chinese.¹

If we take these facts, together with those brought out in the quotations made above, we arrive at these conclusions:

(1) Emigration can never be anything but at best a temporary palliative in the population problem, as practically every authority who has studied the question (including Japanese authorities) admits.

(2) The Japanese have not even begun to utilize the opportunities for emigration already provided them by the conquests already achieved. Japan has owned Korea for twenty-five years and Formosa for nearly forty; territories of relatively sparse population. In 1925, there were a hundred and eighty thousand Japanese in Formosa and four hundred thousand in Korea, a big proportion being mainly officials and traders, Japanese cultivation of the soil being practically nil. In Manchuria itself, to which Japan has had free access for many years, there are only a hundred and eighty-five thousand Japanese, over half of whom are in the city ports. There are less than a quarter of a million Japanese (over half of whom are in the city ports) as against over thirty million Chinese.

(3) In nearly forty years, therefore, Japanese colonies, though still sparsely populated, have taken less than one year's increase of the Japanese population.

(4) But while conquest of further territory cannot solve the

¹ *Danger Spots in World Population*, by W. S. Thompson (Knopf, 1929), pp. 44-45.

population question, nor ease Japan's economic plight, the attempt at conquest can and almost certainly will, worsen that plight, and render the solution of the population question impossible by blocking alike the political and non-political remedies which alone *can* be effective, since it can only render more difficult the creation of conditions favorable to industrialization and foreign trade; stable finance, a sound monetary system, free access to the Chinese market as a whole and to that of America. (Nearly three-quarters of Japan's exports consist of raw silk and cotton cloth, and China and the United States between them take two-thirds of the total amount.)

(5) What Japan does need in China proper and in Manchuria is not "ownership," conquest, but order, and freedom of economic movement, the absence of the sort of hostility on the part of the Chinese as a whole which, existing in the case of the inhabitants of India, has rendered "ownership" of India by Britain of no avail as a means of ensuring a market for, say, Lancashire cotton goods. China can be helped towards the restoration of order more easily by League than by Japanese intervention. It is quite clear that China would accept from the League in, for instance, the matter of financial advice and control what she would certainly not accept from Japan.

A few major considerations remain to be added. The marvelous cheapening of transport has made it much less important than it used to be from an economical point of view, where a given industrial population performs its daily tasks. Lancashire did not need to produce cotton in England, or to set up its factories in Louisiana or to "own" Louisiana, in order to build upon that state's main product one of the greatest trades of modern times and a means of feeding millions of Britain's surplus population while keeping them at home. And the "ownership of India by Britain has proved quite useless as a means of compelling the Indian to buy Lancashire cotton. The Chinese are not likely to prove less capable of organizing boycott than the Indians have been, nor more docile in accepting the rule of an alien power.

It is extremely significant that one of the reasons why the Japanese have not emigrated to Korea and Formosa or Manchuria is that, in each case, they would have to compete, as workers or agriculturists, with a lower standard of life. Which means that the more densely populated country has done better for its people—produced a higher standard of life—

than the less densely populated. It has done it, of course, by industrialization. Now the urbanization which goes with industrialization plus the better standard of life, creates those conditions in which conscious restriction of population begins to take place; in contrast to peasant populations where increase is apt to be unchecked. That particular phenomenon is world-wide. If industrialization, instead of being purged of its defects and civilized, is simply allowed to break down as the result of international chaos, and there is reversion to the peasant condition, emigration, for this as for all the other reasons advanced by the students of the problem, could offer no solution. Furthermore, if territory for the purposes of emigration is to be the result of conquest, military power must be maintained. For that, man power is indispensable, and any tendency on the part of a population consciously to check its population growth, is bound to be opposed by the state so far as it can oppose it. The military state must obviously favor, not limitation of births, but their increase to the utmost.

But emigration, even if it were effective, could never be put into operation on the scale commensurate with Japan's present population increase save by the command of vast capital, a stability of the financial structure, that is, which conquest and the continuance of the military method would be certain to destroy. Japan adds a million souls a year to her population. To settle them on the land in empty territory would require every year vast sums. Where, with the waste and economic upheaval of war, or, what is nearly as disastrous financially, the prospect of war, are such sums to be found? Furthermore, a war by Japan which would at one and the same time provoke the deep hostilities and nationalist passions of China, the fear and hostility of Russia, of the United States and of many European states as well, would present her with irredentist problems in Manchuria which can be measured in the fact that the Japanese number a quarter of a million therein and the Chinese thirty million—such an enterprise, spelling unmeasured costs, financial disturbance and uncertainties of the worst kind, and boycotts like those which India has organized against British trade, would be certain to shatter the future economic development of Japan, to deprive her of the capital

necessary for any plan of mass migration, even if it were feasible on other grounds. The Japanese adventure, as a means of solving the fundamental Japanese problem, is quite certainly doomed to failure; and those parties in Japan mainly responsible for it do not defend it mainly on economic grounds. It finds its impulse in that type of semi-mystic nationalism of which Hitlerism in Germany may be taken as an European manifestation.

Some authorities have suggested that "outlets" might be afforded to Japan by assigning to her such unused territories as parts of Borneo, New Guinea and Northern Australia.

Professor Thompson proposed the establishment of an international land court for the purpose of making these assignments from one power to another. Even if practicable, it would not solve the population problem. Japan is not the only, nor the most overpopulated country, and any international court would have to take into consideration the claims of countries like India and China itself. With a yearly increase of population running into tens of millions and with that rate of increase continuing, it is not difficult to judge how long that relief would last. But the important point in that connection is that the plan could only operate if highly organized on an international basis, in a world in which, particularly, the problem of defense for each nation had been solved by international means. For one of the main motives pushing to the acquisition of territory in the world as organized at present is, of course, the "power motive," the desire, that is, not merely to be strategically strong by the possession of this or that province on the frontier, or this or that outpost of empire, but relatively strong by preventing the growth of other states. So long as a nation can look to nothing but its own strength as a means of defense, it will yield nothing of strategic value, whatever violations may be done to the principle of nationality or any other principle; and it will try to weaken other states; for their weakness is the measure of its own strength. Even if we agree, therefore, that redistribution of territory is called for in this matter, it is clear that that distribution cannot work until we have organized the world internationally. Which means that we are pushed back once again, as in all considerations

of major policy, upon the fears and assumptions which prevent coöperation between the nations. That bridge must be crossed first before we can travel the country which lies beyond.

The gravamen of the Japanese case is that orderly government has ceased to exist in China and Manchuria, and such government is indispensable, given her economic situation. But here again the internationalist solution has far greater chances of success than conquest by Japan. Japan, speaking in any long term sense, cannot conquer four hundred million Chinese, with Russia in the background supporting them. Analogies with what Britain has done in India altogether break down.

But a way out might have been found for Japan had that country turned to League methods. Mr. Crocker, writing before the Manchurian crisis, indicates how such a way might have been found:

A possible arrangement that occurs to one who has worked on the matter is that Japan, in the event of a Manchurian crisis arising, might be given a Mandate over Manchuria—or at least part of Manchuria from international society; or, if a Mandate be not possible, then a Protectorate under guarantees. By the end of the century probably neither the internal stability of Manchuria itself nor the security of Japanese economic interests would longer need such a contrivance, and the Manchurians could run their own government as they chose. Similarly a Protectorate or Mandate might later be arranged, when it became desirable, over parts of Borneo and over some of the Southern Pacific Islands. This for the moment is of secondary importance to a Manchurian arrangement. Taking into consideration the facts of history, the needs of all the countries concerned, and the benefits to be gained by the Manchurians themselves, it is not easy to think of adequate reasons why Japan should not continue her hold over the mines of Fushun or Penhsihu in Manchuria, and Why China should not withdraw such claims as it can adduce. In civic life society no longer tolerates the full unfettered exploitation of private property by any one or more of its members: it regulates in no small way the use of possession; so, too, in international life, claims to unlimited control of certain countries, or parts of them, that have a more intimate connection with the well-being of a non-possessing than of the possessing country, should be overruled. Taking into consideration the position of Japan and its bearing on world-peace, International Society and not merely China is interested in Manchuria; and International Society not merely the British Empire

or the Netherlands Kingdom is interested in Borneo; just as International Society, remembering the condition of Italy—a condition not less serious than that of Japan's—and not merely France, or any other Single Power, is interested in North Africa and Syria.

To have said that "arrangements ought to be possible" "from international society" is to indicate the one real threat to peace in the Pacific Region—namely, that to a large degree there is no international society at all. The influence of the League of Nations is, of course, in operation there as elsewhere, but, apart from the incompleteness of the League's present powers, two of the four strongest Pacific States—Russia and the United States—are not members of the League. Both States, it is true, have signed the Kellogg Pact; but if the recent conflicts between China and Russia are any evidence the Kellogg Pact appears to amount to scarcely more than a pious wish. Nor does the Four-Power Treaty of the Washington Conference seem much more substantial.¹

Yet, when America for this purpose becomes in fact a temporary member of the League, in the sense of adopting through Stimson's lead a policy which is more "League" than that of League members, these latter, including Britain, fail to furnish with promptitude and resolution the necessary support. That is the tragedy of the Sino-Japanese crisis so far as it has developed in 1932.

¹ *The Japanese Population Problem*, by W. R. Crocker (Allen and Unwin, 1931), pp. 215-7.

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